

at the request of the Government, anticipated works of construction not immediately necessary and has spent \$15,800,000 with the approval of its directors and shareholders in works of this nature in order to improve unemployment conditions. The testimony of the Royal Commission in regard to the company is in the following language:—

25. As a result, the Canadian Pacific Railway company, the largest taxpayer in Canada, has been subjected to the competition of publicly-owned and operated railway lines, supported by the financial resources of the country. They had honourably discharged their original contractual obligations with Parliament, and the Company's lines had played a great part in binding together the western and eastern provinces of the Dominion. By common consent, the Company's administrators had brought faith, courage and invincible energy to the task of building its lines through the undeveloped west. The Company's achievement commanded the admiration of both railway operators and the public, and has been a material factor in causing Canada to be favourably known upon three continents. Their operations brought profit to shareholders, and the enterprise became a national asset of acknowledged value and importance to the Dominion.

Ten years ago the Government railways were consolidated and at once began an active and aggressive campaign of competition, the character of which is described in the Report. I will say nothing of this at the present time except to repeat what I have often said as to the unfairness to a private enterprise of competition at the hands of a rival backed by the credit and resources of the Government. What has been done cannot be undone, however, and the situation must be dealt with as it stands to-day. To alleviate that situation the Bill proposes that the Canadian National and the Canadian Pacific shall in the interests of economy adopt such co-operative measures, plans and arrangements as shall be best adapted to the removal of unnecessary, wasteful or uneconomical services, to the avoidance of duplication in services or facilities and to the joint use and operation of all such properties as may conveniently and without undue detriment to either party be so used, and to the meeting of competition in traffic in any form, and imposes upon their respective managements the duty of frequent meetings for the purpose of discussing, and, if possible, agreeing upon, these matters.

The Bill contemplates a change in the form of administration of the National Railways. The new appointees, designated trustees in the Bill, will take office under statutory direction to co-operate. That in itself will be a great incentive, and as it is equally binding upon the Canadian Pacific directors with their full agreement, the operations of the companies should be conducted in an entirely different atmosphere than that which has prevailed in the past.

So far as the Canadian Pacific is concerned we would accept a statutory direction that we should co-operate because we are willing to co-operate. We are satisfied that a fuller measure of co-operation will be secured from three causes first, the necessities of the situation, secondly, the statutory direction by Parliament that this should be a matter of policy by the private company, and thirdly, because of the creation of a board of trustees specially charged with the duty of carrying out the policy of Parliament in this respect.

I observe in some of the addresses delivered in the Senate upon the Bill that some phases of the measures were advocated or accepted in the belief apparently that there was no other alternative which would bring about the economies so sorely required. Quite obviously, there is only one way in which the maximum economies are obtainable and that is unification for the purposes of administration, whether for a limited number of years or for a long term. The Royal Commission has considered and rejected such a plan for reasons they have explained