

one question I might raise under the heading of "Additions, conversions and highway vehicles". I suppose that brings up the questions of trucking operations of the C.N.R., Mr. Vaughan?

Mr. TASCHEREAU: I think that could be dealt with on page 7 under Canadian National Transportation Limited, in the amount of \$5 million. That is our highway transportation subsidiary.

The CHAIRMAN: Then are we through with page 6? Then we will turn to page 7, "Investment in affiliated companies".

Senator KINLEY: May I ask, with regard to Chicago and Western Indiana Railroad, why we have a capital expenditure there?

Mr. VAUGHAN: In this railway, sir, the C.N.R. has an investment which represents 20 per cent of the capital stock of the company.

The CHAIRMAN: The balance is owned by other railways, I understand?

Mr. VAUGHAN: That is right, by a number of United States railroads. It is a railroad which connects with our own subsidiary, the Grand Trunk Western Railroad, and under the agreement under which we acquired the capital stock we had this obligation of advancing a proportionate part of the financial requirements of that company.

Senator PEARSON: Does that represent outlay for the joint control of terminals, or just for the railroad?

Mr. TASCHEREAU: It is a capital outlay, I am told.

Senator PEARSON: Of the company?

Mr. TASCHEREAU: Yes.

Mr. VAUGHAN: This is an agreement that goes away back for many years, and it is associated with our United States operations, and as our annual report showed we have a 20 per cent participation in it.

Senator KINLEY: Is it profitable?

Mr. VAUGHAN: Well, this operation is complementary to our other United States operations.

Senator WOODROW: Is the Chicago and Western Indiana Railroad operated at a deficit?

Mr. VAUGHAN: Well, I would have to ascertain that. Can I take notice of that question for the moment?

Senator WOODROW: Yes, of course.

The CHAIRMAN: Are there any questions on the \$5 million item for Canadian National Transport Limited?

Senator KINLEY: There was a lot of comment the other day as to these truckers in competition.

Senator BUCHANAN: That is, whether the trucking companies were allowed to complain legally.

The CHAIRMAN: I take it this item is for possible capital expenditures during the current year and the acquisition of other trucking lines?

Mr. VAUGHAN: It is generally to pursue our program of road and rail integration and also the completion of acquisition of other selected trucking lines.

Senator PEARSON: These trucking companies you are buying out, are you using them in your piggy-back system?

Mr. VAUGHAN: Oh, yes, they carry piggy-back, too, and over the road, too.

Senator PEARSON: How many trucking companies have you bought in now, or is that a fair question?