

my opinion they have a right to have a chance to do what they are doing well.

The railways in Canada face fierce competition from water and highway transportation. Highway transport has increased greatly, and it is increasing all the time. The trouble with that form of competition is that the costs of the roads are not paid for by the people who use them most. The citizens of Canada pay for the roads, and yet the truckers get the greater use of them, with just the payment of a license fee and perhaps a little extra tax on gasoline.

Hon. Mr. Brunt: The truckers would give you an argument on that point.

Hon. Mr. Haig: We have to do something to put the C.N.R. on a fair basis of competition with other forms of transportation. When the railways go before the Board of Transport Commissioners, it is always the C.P.R. that is taken as the yardstick, and what is given to the C.P.R., the C.N.R. has to accept. At the same time we put on to the Canadian National Railways system railway after railway and ask it to pay the charges on these roads that cannot physically be made to pay. No man in his right senses would ever think of buying this railway system as a business proposition. So, for these reasons, I say that we as Canadians have to recognize the need for doing something that will solve the problem, rather than have the system come to Parliament for a vote of moneys every year. This year they are asking for \$307 million.

This situation is one that demands our attention. I do not know of any body better qualified to consider a subject like this than the Senate. We have in this chamber men and women from every part of Canada; we are all interested in our country, and in giving the railway that is owned by the people of Canada an even chance with other systems of transportation. I am opposed to handicapping the men and women who work for the C.N.R., and putting them in a position where they cannot possibly make a success of their railway operation in the same way as does the C.P.R.

The bill now before us is the usual bill that comes before Parliament each session. By it Parliament is asked to vote so much money for the year 1958, and an estimated amount for the first six months of 1959. That is the way it has always been done. In a private company you would have to have the money from the beginning of the year to make the expenditures and pay for improvements; but with the public-owned railway the money has to be provided in advance by Parliament. After taking into consideration the costs and expenditures for the year 1958,

an estimate is made on that basis for the expenditures of the first six months of 1959.

The bill further provides that the Government guarantee the bonds issued by the railway system, or the company can borrow the money straight from the Government and give a guarantee for it.

In order that honourable senators may have a little clearer picture of what takes place—and I must say I haven't got enough brains to follow it in every detail—I have had prepared certain statements which put the picture in a general way and also in certain details. With the permission of the house I should like to place this information in *Hansard*. In that way, when we come to consider this matter tomorrow or at any other time we will have these facts before us.

The first statement, in general, shows the expenditures for various items in 1958, of \$330 million-odd, less \$28 million for uncompleted work, and less depreciation of \$85 million, making a net figure of \$127 million-odd. The statement also shows the estimated expenditure for the first half of 1959 of \$134 million, less certain other items amounting to \$44 million, leaving a net total of \$90 million, and a grand total of \$307 million-odd.

CANADIAN NATIONAL RAILWAYS

Year 1958

Road property	\$146,836,000
Branch line construction	12,510,000
Hotels	12,631,000
Equipment	117,294,000
Investment in affiliated companies	47,123,000
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	330,623,000

Less:

Uncompleted work	28,000,000
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	302,623,000

Less:

Depreciation accruals and amortization of discount on funded debt, etc.	85,130,000
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	\$217,493,000

Year 1959

Interim financing authority January 1 to June 30, 1959, on obligations incurred prior to January 1, 1959	134,000,000
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Less:

Depreciation accruals and amortization of discount on funded debt, etc., in relation to period January 1, to June 30, 1959 ..	44,000,000
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	90,000,000
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	307,493,000