

difficult situation, but he handled it successfully and administered the system carefully and thoroughly. Mr. R. C. Vaughan has succeeded him as president. I understand that Mr. Vaughan has had considerable experience in railroading, but I think it would be better not to judge him by this very admirable report; rather we should wait until the return of more or less normal conditions. For undoubtedly war conditions have greatly stimulated both freight and passenger traffic, and this stimulus is what I may term artificial. There is, however, nothing artificial about the very satisfactory performance of the system during the past year. The Canadian National Railway System has stood the test of war. Will it stand the test of peace? I do not think anyone would venture to forecast the operating results of the system after war activities cease. But one thing is certain: the people of Canada will be in no mood to provide for large deficits in the complacent and willing way in which they treated demands for assistance in the past. They will want more detailed information of the financial operations of this great company. The people will demand, if I know their temper, greater efforts at co-operation between both transportation systems, more particularly in the elimination of long hauls on a fair and reciprocal basis.

In closing, honourable members, I have three suggestions to make. Members of a committee of this House which a few years ago investigated the operation of this great property are familiar with its ramifications. I do not know whether my suggestion is practical, but I would urge that the committee which in another place examines each year the accounts and activities of the Canadian National Railway System might very well be enlarged to include members of the Senate; in other words, that it be made a joint committee of the two Houses.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. FOSTER: One hates to mention local conditions, but since the outbreak of the war there have been established in the city from which I come two fleets of pick-up motor trucks, one by the Canadian National Railways, the other by the Canadian Pacific. Although we have been cut down to a two-gallon gasoline unit, and as a consequence those of us who live out in the country have to join with our friends to economize in gas by using one another's cars in alternate weeks to get to our duties in the city, we find these great pick-up trucks chasing one another around the streets of Saint John in their efforts to pick up freight. Now, my second suggestion is that the Oil Controller might

Hon. Mr. FOSTER

well look into the question of greater co-operation between the two railways in this respect, so as to conserve consumption of gas and wear and tear of tires. And it is probable that action of this kind might very well be taken at other points in Canada where similar conditions exist.

My third suggestion is that there should be no further abandonment of railway lines during the continuance of the war, unless it can be shown that very special conditions indicate that such abandonment is advisable.

To sum up, the report is, I think, a very satisfactory one, and such as to bring some degree of cheer to the taxpayers. They are the owners of this great system, which comprises 23,560 miles of track, employs approximately 100,000 persons in its operation, and pays \$237,000,000 per annum for wages and supplies. To employees who have retired on pension it pays the goodly sum of \$4,700,000 per annum, and this year it will pay into the Unemployment Insurance Fund \$1,000,000. Surely the Canadian National Railways, which are the Canadian people's greatest business enterprise, have at this particular time fully justified their existence.

Hon. Mr. BALLANTYNE: Would the honourable senator be good enough to explain the change made in the balance sheet some years ago when \$900,000,000 were written off?

Hon. Mr. FOSTER: As I understand the honourable gentleman, I presume he refers to the debt due to the Government. I have not that information. I have not gone outside the report, and in it there is no reference to a write-off in years gone by.

Hon. CREELMAN MacARTHUR: Honourable senators, I am sure we were all very much impressed by the constructive and informative address of the honourable senator from Saint John (Hon. Mr. Foster) and by the criticism he made. I should have thought, however, that as a member from the Maritimes he would give special consideration to New Brunswick, Nova Scotia and Prince Edward Island. He took in too much territory: he covered all the ramifications of the railway situation.

In the Maritimes we have a serious problem, of which he is cognizant, and though he knows how important it is, especially to Prince Edward Island, he has not referred to it. Prince Edward Island must be treated as a member of the Confederation or must go out. I think the honourable member from Saint John should have dealt with our transportation conditions and made some observations on what we can do to improve them. We do