

APPENDIX No. 5

Your Committee is of the opinion that the acquisition or sale of property for railway purposes involving large sums of money ought not to be possible except by authority of Order in Council previously obtained.

Your Committee reviewed, so far as time permitted, the operating statements of the Company and, on the evidence adduced, is of the opinion that the customary and necessary maintenance of the permanent way, structures and equipment has not been slighted but that the general standard of the Company's physical property has been improved.

In regard to the transport of His Majesty's mails, the evidence submitted indicates that there is at present an unequal distribution of mail services between the railways—in some instances resulting in inferior service to the public. Your Committee feels that adequate mail service is of paramount importance in the public interest, and suggests that the Government take steps to review the whole question of the transport of mails throughout Canada in order that distribution may be effected to give a maximum of service to the public and justice to the Canadian National Railways.

Item No. 137 of the estimates before the House provides for an amount of \$56,000,000 to meet expenditures by the Company for the coming year on the following Accounts:—

	1924-25	1923-24
(a) Interest on securities, notes and other obligations; also rentals for lease of lines	\$18,745,639 58	\$22,609,260 34
(b) Equipment principal payments, sinking fund, miscellaneous maturing or matured notes and other obligations secured of unsecured.	5,867,633 33	8,507,699 33
(c) Operating income deficit whenever incurred or ascertained.	1,467,138 48	10,400,000 00
(d) Construction and Betterments, including co-ordination, acquisition of property and purchase of equipment.	29,919,588 61	33,033,040 33
	\$56,000,000 00	\$74,550,000 00

From the evidence given, your Committee is of opinion that the amounts asked for are necessary for the purposes of the Company during the coming year and should be granted.

Your Committee suggests that in regard to all matters relating to immigration and colonization the Canadian Pacific and Canadian National Railways be invited to co-operate as closely as possible with each other and with the Departments of the Government concerned with such matters.

Your Committee desires to direct the attention of the Government to the apparent unnecessary competition and duplication of services between important centres by the Canadian National and Canadian Pacific Railways and to suggest that the railways be invited to consider the whole question with a view to elimination, wherever possible, of unnecessary duplication and competition, so as to conserve the revenues and resources of both Companies while still rendering adequate service to the public.

Your Committee is of the opinion that the Capital sum upon which interest charges are now computed in making up the annual income statements of the Canadian National Railways is excessive and desires to suggest that the Government give early consideration to the feasibility of reducing same.

Your Committee desires to direct attention to the following remarks of the President of the Canadian National Railways upon the completion of his examination by the Committee:—