

in the country—is the Montreal Terminals development. I see that some \$3,000,000 was spent on this in 1941. I am informed that \$1,900,000 will be spent this year to complete that project. The total expenditure to the end of 1941 was approximately \$25,000,000, and I do not think this can be regarded as unjustified when one considers the conditions existing at Bonaventure station. Those of us who travel by that road know the facilities there are very much out of date and something had to be done. I am not an expert and do not know whether a joint terminal would have been better, but I do know that the terminals when completed will be a credit to the railway and to the country, and that they will provide very much better accommodation for all the people who travel in and out of Montreal via the Canadian National. After all, with the cost of money what it is to-day, the annual interest on the capital investment for providing these facilities is a matter of only \$750,000.

Last year the increased freight and passenger traffic necessitated the employment of 6,700 more men, but notwithstanding the additional expenditure in wages the increase in net earnings was very satisfactory.

The annual report informs us that in 1941 the management applied to the Board of Transport Commissioners for the abandonment of certain branch lines. Of these applications the Board approved three and rejected eight. In my humble judgment, honourable members, under present conditions it is not good policy to abandon branch lines, whether owned and operated by the National System or by the Canadian Pacific. In this connection I wish to deal particularly with a short branch line referred to in my inquiry, which was answered earlier this evening. This line runs through two counties—the county in which I had a considerable interest in my active political days, and where I was born, and the county represented by my son in the Legislature of New Brunswick before he left Canada, which constituency I have to look after while he is away. I find two applications were made for abandonment of this road. The first was refused because of the strong protest raised by some of us. Later a second application was made, but apparently those affected were somewhat tired of protesting and offered no opposition. Thereupon an order was issued for the abandonment of the road. Workmen appeared on the scene, tore up the rails and took away everything loose. They left only the old ties along the right of way, and these are an eyesore to the local people and a remembrance of better transportation days. Now, with the

war-time scarcity of rubber and gasoline, the people are hamstrung in regard to transportation. It is all very well for those who draw monthly salaries to be disinterested in this matter, but the people in the country formerly served by the abandoned railway depended on that transportation for the weekly sale of their pulpwood and farm products, and now they are very seriously inconvenienced. I repeat, I do not think that under existing conditions there should be any further abandonment of railway lines.

I desire now to refer to some of the auxiliary services. Last year the Canadian National Railway System derived from its express service a revenue of \$11,400,000, against an expenditure of \$5,800,000, leaving a profit of \$5,600,000. Its commercial telegraphs produced a revenue of \$5,150,000, as against an expenditure of \$4,000,000, or a profit of \$1,150,000. The dining-car service, on the contrary, was operated at a loss of \$350,000, the receipts being \$2,150,000 as against expenses of \$2,500,000. I had expected that the deficit would be considerably larger. The hotels were operated at a profit of \$600,000, which is about 90,000 odd dollars more than the profit for the preceding year. I do not suppose that interest on capital investment is taken into account; nevertheless I think the result is satisfactory, and I believe the investment in these hotels is well justified both from the national and the railway point of view. Those of us who have the privilege of staying at the Chateau Laurier appreciate its home-like atmosphere and courteous service. True, the Canadian Pacific Railway was the pioneer in this auxiliary service, and its hotels enjoy an enviable reputation for efficient management and friendly service. It is greatly to the credit of the Canadian National System that the very high standard set by those in charge of the hotel system has won for its hotels an excellent reputation for efficient management and courteous service.

The report states that Mr. Hungerford has resigned his position as president, but will continue as chairman of the board of directors. I think the National Railways are fortunate in being able to retain his services in this capacity. I know Mr. Hungerford personally, and I am sure that other members who have had occasion to visit him on business will agree with me that he has a charming personality and was always very courteous in his contacts with us. His gentlemanly, unassuming attitude inspired confidence in those who had the pleasure of meeting him, and I repeat, the Canadian National Railway System is fortunate in being able to retain him as chairman. He was president during the period of falling revenues, when he had to meet a very