

1950, there are only 6 ships laid up for want of employment as compared with 35 ships in January 1950.

The operation of the subsidy and transfer policy will do three things:

- First - ensure that Canada has a nucleus of Canadian registered ships engaged in international sea transport ready and available in time of war;
- Secondly - maintain a reserve fleet of Canadian-owned ships permitted to operate under United Kingdom registry. Such ships may not be transferred off British registry without consent of the Canadian Government. For all practical purposes, therefore, these ships are under the effective control of the Canadian Government;
- Thirdly - give employment to about 1,750 Canadian seamen at Canadian rates of pay by reason of assistance given by the government to the industry.

Here then, we have a nucleus of ships and men - a foundation on which to build in time of emergency.

At the outset of this talk I mentioned three fields of transportation, and I now reach the third, namely, the railways.

Rail transportation is, I think, the backbone of Canada's economy. The railways have been serving us so long -- for more than a century with but one interruption -- and are so much a part of our daily lives, that we are prone to treat them almost as we do the weather. If the weather is good we are pleased; if it is bad, we complain. I suggest to you that you should not treat the railways as a simple force of nature. They are a human institution. They have a job to do, and I think we owe them some commendation for the way they are doing it, some appreciation of their place in our economy and some understanding of their problems. Let us take a few moments to size them up.

Canada has more railway mileage per capita than any other nation, and makes more use of railways, per capita, than any other country. We operate over 40,000 miles of main track, and I need not tell you how complete the coverage of the ten provinces is. The use of the railways has risen steadily through each decade, from 1,200 ton miles per capita in 1900 to 4,600 today. We still have plenty of work for our railways to do, and it would be a poor Canadian who would look forward to a drying up of our resources and a drastic diminishment of our industrial production, instead of to a continued expansion.

It must not be lost sight of, that in Canada the railways are more than simply carriers. In addition to trains, steamships, car ferries and airlines, they operate widespread telegraph systems, great chains of hotels and many other services. There are over 180,000 employees, and in 1949 total wages paid by the railways of Canada amounted to over half a billion dollars.

Think of what over half a billion dollars of purchasing power, in the hands of one of the most stable, one of the most responsible groups of citizens in the country, means to our national economy. And still, this enormous railway transportation industry is today facing tremendous financial problems.