

the year before. That is, the showing is better by something more than \$20,000,000 than that for the year 1940.

In considering that, I think it is well to bear in mind that this \$4,000,000 of surplus might have been largely increased if certain additional write-offs had not been allowed for. I find that, besides making this cash surplus of \$4,000,000, the company paid in the year 1941 wage increases amounting to \$6,000,000, brought about by the war-time cost-of-living bonus which the law made applicable to railways. In addition there was an increase of wages on the United States line by reason of legislation passed at Washington for increasing wages of United States railway employees. This amounted to \$800,000.

Then, perhaps because during the lean years sufficient money had not been spent on maintenance, there was an additional expenditure of \$6,000,000 on the trackage of some 23,000 miles, or an average of about \$250 per mile over the whole system. This was made necessary not only for the reason I have stated, but also, no doubt, because of the heavier equipment now used on the lines and the heavier trains being hauled over them.

The report also shows that last year an additional amount of \$2,000,000 was provided for depreciation of equipment. I think this was a very good provision to make, considering the railway's earnings at the time.

The next item to which I should like to refer briefly is the amount expended by the railway last year on capital account. That is a very important matter. Critics of the road say sometimes that too much is being charged to capital account. The capital expenditures for last year were only \$13,700,000, and of this amount \$6,700,000 was for the purchase of equipment. Honourable members will no doubt have read in the Press lately that our railway shops are turning out locomotives of the 6200 class, which are the heaviest locomotives used on the American continent. They will haul about 100 loaded cars over existing grades without much reduction in speed, thanks to the ingenuity of man in being able to transmit additional power to the driving wheels. I think it is a matter for pride that in this country we are able to manufacture and place on the rails of the Canadian National Railways the most powerful type of locomotive in use on this continent.

In addition, locomotive shops were built at Moncton, costing \$540,000, and yard extensions at Moncton cost \$313,000. I mention these items particularly for the benefit of my honourable friend opposite who comes from the city of Moncton (Hon. Mr. Léger), who

Hon. Mr. FOSTER.

no doubt has from time to time heard criticism that the Government does not spend much money down there.

Then there was an expenditure of \$1,381,000 on what the report refers to as centralized traffic control. Honourable members will recall that at the last session the honourable gentleman from Westmorland (Hon. Mr. Black) discussed the proposed installation of this centralized control. I do not say that he did this in a critical manner at all. He had been informed, I suppose, that the installation would cost more than a million dollars and that a great deal of the equipment would have to be imported from the United States. A system of centralized control was installed on the Atlantic division of the Canadian National Railways, between Moncton and Halifax. I may say that there has been some criticism of this, but it must be realized that at the junction where that electrical control operates three railway lines converge—the line from Saint John to Moncton, the Transcontinental railway line from Diamond Junction to Moncton, the Intercolonial railway from Montreal via Campbellton; and in addition there is the traffic to and from Prince Edward Island.

The traffic over the line from Moncton to Halifax is very heavy. On making inquiry I was informed that if this electric control had not been installed it would have been necessary to double-track the whole line from Moncton to Halifax in order to carry the traffic that is passing over the single tracks at the present time. So far as I know, this is the only centralized traffic control of its kind in use in Canada, and I think it is safe to say that the expenditure on it is justified by the existing situation there. I am told by railway men that the control is working very well under normal conditions, although in the winter there is a little bit of bother from ice; but, all in all, it is felt that the installation was justified. In my opinion the railway management deserves a great deal of credit for installing such up-to-date apparatus for the movement of trains. Just here I might refer to a little personal experience I had two years ago when traveling from Moncton to Halifax with a member of my family. I was going on what was to me a very important mission. Three trains tried to pass on the same track, with the result that the train I was on tried to pass the others via the ditch. I will say nothing more than that I am thankful to be here to tell the tale.

One other item in these capital expenditures, to which I should like to refer—it is one that has been a matter of considerable criticism