

LOCOMOTIVES

- 20 Medium Pacific, from Montreal Locomotive Works.
- 10 Heavy Pacific, from Montreal Locomotive Works.
- 25 Sante Fe, from Montreal Locomotive Works.
- 20 Switchers, from Canadian Locomotive Works.

FREIGHT

- 650 General service cars, from Eastern Car Company.
- 500 Box cars, from Eastern Car Company.
- 1,500 Box cars, from National Steel Car Co.
- 1,000 Box cars, from Canadian Car Company.
- 500 Refrigerator cars, from Canadian Car Co.
- 350 Ballast cars, from Hart-Otis Car Co.
- 150 Stock cars, from Canadian Car & Foundry Co.
- 80 Cabooses, from Canadian Car & Foundry Co.
- 20 Cabooses, from Preston Car & Coach Co.
- 6 Snow plows, from Eastern Car Company.

PASSENGER

- 18 Sleepers, from Canadian Car & Foundry Co.
- 12 Diners, from Canadian Car & Foundry Co.
- 20 Baggage cars, from Canadian Car & Foundry Co.
- 20 Express Refrigerator, from National Steel Car Co.

4,901 Total.

All of this has been delivered with the exception of the passenger train equipment. The sleepers are now arriving, and will be completed by the end of March. Baggage car deliveries commenced March 9, and completion is promised by the end of April. Dining car deliveries are promised commencing April 8, and completion of the express refrigerators has definitely been promised during the month of May.

With reference to the purchase of locomotives, cars and rolling stock in general, prices have been increased very much. I submit the following statement for the information of the House showing some of the increases, caused by increased cost and heavier power and steel construction:

	1914-15	1920
Locomotives . . . .	\$24,000	\$61,250 to \$72,500
Standard sleepers . . . .	28,250	49,500
Dining cars . . . . .	25,050	46,000
Baggage cars (wooden) . . . . .	6,166	(Steel) 24,000
Freight refrigerators . . . . .	1,640	5,025
Express refrigerators . . . . .	4,642	12,240
General service freight cars . . . . .	1,346	3,250
Box cars . . . . .	1,150	2,960
Stock cars . . . . .	846	2,640

These figures will show what the railways are up against.

Freight tonnage increased sixteen per cent over 1919 and passenger traffic by about a million, but while the quantity of freight and number of passengers increas-

ed, the haul in each case was shorter and returns not as great as expected.

Rate increases have been given from time to time in an effort to meet increased cost of operation under the McAdoo and United States Labour Board awards, under which the average wage per employee of the Canadian National system is now \$1,850 as compared with \$700 before the war. The result is the operating pay roll last year was \$83,505,072 as compared with \$40,606,170 in 1917. In addition wages on capital work required \$12,222,045, making a total pay roll of \$95,727,117. These figures justify immediate discussion between employees and management.

Of course, the railway situation in Canada, as elsewhere, is a product of the war. Every country in the world had to stand behind its railways during the war. We had no alternative but to follow suit and I am satisfied that, without the powerful support of the Government in the crisis which the war developed the railway situation would have been such that we would not have been able to carry on necessary war transportation facilities, and a collapse of our whole transportation system would have followed.

Let me refer briefly to the general railway situation throughout the United States. The total operating revenues for 1920, as reported by the Interstate Commerce Commission were \$6,225,000,000, the largest in the history of American railroads, and \$1,041,000,000 greater than for 1919. Operating expenses, however, consumed \$5,826,197,000 of this, or \$1,406,000,000 more than in 1919. The net operating income was only \$62,264,421, as compared with an average of over \$900,000,000 for the three years preceding the war. It is less than the roads should earn in one month to receive the six per cent which the United States Transportation Act prescribes as the measure of fair return on the investment; it is less than one-fourth of the various taxes payable by the roads, and represents a profit of almost exactly one per cent on the gross business done during the year, when the railroads handled more freight and passengers than ever before in their history. The sixty-two millions of net operating income was earned by about half of the Class 1 roads, the other half having deficits for the year. The United States Government has had to come to the rescue by a guarantee of about \$600,000,000 for the six months' period following de-control. Of this sum about \$200,000,000 has, it is