

Supply—Transport

the national company) arising in the calendar year 1949, this amount to be applied in the repayment of accountable advances made to the national company from the consolidated revenue fund—Canadian National Railways, exclusive of eastern lines, \$25,709,703; eastern lines, \$16,333,325; total, \$42,043,028.

Mr. Drew: It is not my intention to discuss the details or the background of this item, large though it is. There is one reason particularly why I do not intend to do so at this time, in addition to the fact that these are supplementary estimates closing the accounts of the past fiscal year. The royal commission which is now considering all aspects of this problem has already had certain representations made to it, and will have others, which have a bearing on this large item that we are now called upon to deal with. There is, however, one subject that I think should be mentioned at this time.

Recently the services of the Canadian National were greatly reduced because of the statement that there was a shortage of coal. That matter can be discussed at a later time. However, in regard to this whole subject, the responsibility for what took place rests ultimately upon the government. The explanation that the reduction in services was due to a shortage of coal is one that I do not think can be accepted as covering the whole period during which that reduction of services was in effect. After all, this is not merely a question of cutting down services. What was extremely important, in addition to the inconvenience to the public, was the result to those who were working on the railways, and particularly those in the lowest income bracket. No matter what steps may be taken to economize on this road between now and the time that the royal commission will report, I believe that great care should be exercised so that in the future those steps of economy shall not cause the uncertainty and concern and the real difficulties which resulted from the curtailment in the past few months. The morale of those working on the Canadian National will be greatly affected by the course that is followed. I can only repeat that the explanation to the effect that this curtailment of services was due to a shortage of coal is hard to accept for a period of that kind when in this country we have such enormous supplies of coal both in Nova Scotia and in Alberta. Certainly some way could have been found if that was, in fact, at any time the real explanation. The workers on this railway during the years of war and under heavy pressure have given loyal and faithful service. I can only repeat that in whatever steps are taken in the future to meet the situation, in any steps of economy

[Mr. Chevrier.]

that may be taken, we should make sure in every possible way that it is not done in a manner which will affect the workers on the railway.

Item agreed to.

633. To hereby authorize and provide for payment during the fiscal year 1949-50 to Trans-Canada Air Lines to be applied by Trans-Canada Air Lines in payment of the deficit (certified by the auditors of Trans-Canada Air Lines) resulting from the operations of Trans-Canada Air Lines and its subsidiary, Trans-Canada (Atlantic) Limited, during the calendar year 1949, this amount to be applied in the repayment of accountable advances made to the company from the consolidated revenue fund—Trans-Canada Air Lines, \$1,419,444; Trans-Canada (Atlantic) Limited, \$2,898,150; total \$4,317,594.

Mr. Drew: This item is one which calls for a somewhat different approach from that taken to the other items that have been before us. The other items that we have been discussing, are items which are closing out the accounts in regard to the various activities under the direction of the government; but this is the first time in the whole fiscal year that anything relating to this item has been before the house. There are reasons why an explanation should be given at this time for the figures that are now before us. The figure that we are called upon to deal with is a payment of \$4,317,594 as a deficit in the operation of Trans-Canada Air Lines over the operating year of 1949. This item should certainly not be passed without an explanation to the committee as to why there has been this large increase in the deficit. At this point I think it would be well briefly to put on the record the trend that should be in the mind of every hon. member in being called upon to deal with this item.

In 1943 there was a surplus for the year of \$147,888. I will simply use the even dollars. In 1944 there was a surplus for the year of \$7,409. In the year 1945 there was a surplus for the year of \$32,722. In 1946 there was a deficit for the year of \$1,269,624. In 1947 there was a deficit for the year of \$1,624,739. In 1948 there was a deficit for the year of \$2,933,240. Now we are asked to provide for a deficit of \$4,317,594 for the year 1949. That figure is broken into two amounts, according to this item in the estimates. On the domestic services of Trans-Canada Air Lines for last year there is a deficit of \$1,419,444; and on the transatlantic operation there is a deficit of \$2,898,150. The latter figure is of importance in view of the statements that were made before the committee that dealt with the previous report. That represents an increased deficit of \$236,422 on the domestic