

to be holding their own, as they are today, in what has become one of the most competitive of all businesses.

"Certainly the signs of progress in railroading, as typified by the modernization of methods and equipment, are present on every hand.

"First of all there are the technical innovations:

The most obvious of these is the nearly completed changeover from steam to diesel motive power. This, of course, has had fundamental effects on railroad operations, but it is also important in that it has served as a symbol, to the general public, of the railroads' desire to modernize their business and of the fact that railroading is today a dynamic industry, not a static or declining one.

OTHER IMPROVEMENTS

"The diesel locomotive, of course, is only one of the many technical improvements in railroading that are taking place. Along with it, we have the improvements in signalling, communications, yards and tracks, new specialized types of freight equipment, of which 'piggy-back' is only one. All these are transforming the nature of railway operations, creating new demands in the equipment and supply industries. At the same time, the railways are continuing their pioneering role as new lines are pushed into the northland each year.

"In addition, there have been revolutionary changes in methods - the adoption of teletype, radio, television, and integrated data processing.

"And lastly, and right at the firing line, so to speak, there have been radical changes in the services offered the customer: new types of reduced rates; agreed charges; the various types of 'piggy-back' services; faster deliveries; and other features that together mark another clean break with traditional railroad procedures.

"Modernization of railroad property and methods of operation have helped to change the public conception of the railroads from that of an institution to that of a modern business...

"The railways will play a very important part in the future of transportation in Canada, because it will be chiefly up to land transport facilities to carry the raw materials and products of industry within our borders.

"Experience in Canada has taught us that we cannot, for geographical, climatic and other reasons, move raw materials and semi-finished products to assembly plants without efficient railway service.

"The history of railway construction in Canada in the last five years indicates recognition of this fact, and in itself, is perhaps the best answer to those who still believe the day of the railroad is past.

"Since 1954, the Canadian National, Canadian Pacific and Pacific Eastern Railways have constructed a total of 1063.8 miles of new lines, and an additional 357 miles have been constructed by private development companies. The construction of a further 632 miles of new railway lines is now under active consideration.

"This construction of new railway lines in the past five years, totalling over 1420 miles, has taken place in various provinces of Canada, in particular, the province of Quebec, where over 600 miles of new line have been constructed, and where another 190 miles are proposed for the immediate future.

"...The importance of railroads in the planning for the development and utilization of the resources of Canada in the years immediately ahead could not be more clearly indicated than the record of new construction which I have mentioned...."

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CONSUMER PRICE INDEX

Canada's consumer price index edged up slightly between October and November this year from 128.0 to 128.3. The current index is 1.6 per cent above last year's November index of 126.3. The food component declined 0.3 per cent in the month, while increases of 0.8 per cent in the clothing index and 1.0 per cent in the index for "other" commodities and services were largely responsible for the upward movement in the total index. Fractional increases of 0.1 per cent were registered both by the shelter and household operation indexes.

The clothing index advanced from 110.5 to 111.4 as November prices for women's fur coats and boys' parkas were up from prices prevailing at the end of last season as well as above the level of a year ago. Footwear recorded further price increases, particularly children's shoes, which were up 4.6 per cent. A number of men's furnishings rose slightly.

The rise in the "other" commodities and services index from 135.5 to 136.9 was due largely to initial pricing of 1960 passenger cars, which were 4 per cent above the 1959 model prices of a year ago and 13 per cent higher than model year-end prices of October 1959. Higher prices were also in evidence for theatre admissions, pharmaceuticals, personal care items, men's haircuts, and women's hair-dressing.

The shelter index increased from 142.4 to 142.6; rents were up 0.1 per cent and home-ownership up 0.3 per cent. The change in the household operation index from 123.4 to 123.5 reflected a number of minor price increases for household utensils, supplies and fuel. The food index declined from 124.2 to 123.8. Lower prices were reported for eggs, grapefruit, canned vegetables, some beef and pork cuts, and lamb. Most fresh vegetable prices were higher.