

Mr. JACKMAN: I should like to ask a question in connection with line abandonments. There was a loss there of \$4,575,000. That inevitably happens if you abandon a certain line unless you are selling for salvage at a greater price than the line was on your books. Unless that happens you must have a capital loss?

Mr. COOPER: That is right.

Mr. VAUGHAN: Salvage is comparatively small in comparison with the cost of the line.

Mr. McCULLOCH: What lines were abandoned?

Mr. COOPER: They are set out there.

Mr. McCULLOCH: Whereabouts are the lines abandoned?

Mr. JACKMAN: You will find it on page 4.

Mr. McCULLOCH: Does that mean the Sunny Brae railway from Sunny Brae to Country Harbour is going to be abandoned?

Mr. VAUGHAN: There is, as you know, a certain mileage of Sunny Brae line which is in operation. Beyond that there is a portion of it on which some money has been spent, but it has never been finished. The idea is to abandon the part not finished and not to touch the part in operation.

Mr. McCULLOCH: That is from Sunny Brae to Country Harbour.

Mr. VAUGHAN: Yes.

Mr. McCULLOCH: Has there been any thought given to that line from Sunny Brae to Country Harbour?

Mr. VAUGHAN: That matter has been before us on different occasions, but we have done nothing about it. I think we have had it up with departments of government, but it was considered that there would not be much object in developing the port of Country Harbour at the present time.

Mr. McCULLOCH: This line from Sunny Brae and Country Harbour has a roadbed that is all ready, the bridges are all in. Stellarton is on this line from Sunny Brae to Country Harbour. The roadbed is all ready within about seven or eight miles of Country Harbour, and if anything happened to Halifax that is the only harbour that you could ship from. The harbour is free from ice all the year round and is one of the best harbours in the world.

Mr. VAUGHAN: We will still own the right-of-way and have everything that is there.

Mr. HANSON (*Skeena*): With regard to abandonments there is the Vancouver island line. What about that?

Mr. VAUGHAN: There was a line graded beyond Cowichan lake.

(Carried.)

It was moved by Mr. Emmerson, seconded by Mr. McCulloch that the report be adopted.

The CHAIRMAN: We now have the Canadian National Railways system audit report, and I will call Mr. Matthews to read it.

Mr. O. A. MATTHEWS (George-A. Touche & Co.):

THE HONOURABLE THE MINISTER OF TRANSPORT,
Ottawa, Canada.

Sir:—

In conformity with the Canadian National-Canadian Pacific Act, 1936, and Chapter 12, 1942, "An Act respecting the appointment of Auditors for National Railways," we have audited the accounts of the Canadian National Railway System for the year ended the 31st December, 1942, and now submit, through you, our report to Parliament.