

before the parliamentary committee on reconstruction in 1943 on their post-war plans, particularly the provision of employment opportunities. Since the two companies together make up the largest single industry in Canada, the largest employer of labour and the largest user of materials, their employment plans are extremely important to the Canadian economy.

Both companies will have a "backlog of deferred maintenance" which will arise from three sources. Some of it will be work which would have been done during the depression years had the railways not been obliged to curtail expenditures; some of it will be work which could not be undertaken during the war because of shortages of men and materials, and some of it will arise from the necessity of correcting the effects produced by the severe strain of wartime traffic. Included in this backlog will be drainage work, ballasting and relaying of steel rails, replacements of motive power and rolling stock. To the end of July, 1944, railways had accumulated more than \$50,000,000 for deferred maintenance work, representing between 25,000 and 30,000 man-years of work, in addition to ordinary maintenance work.

The problem of providing work for returned men was discussed fully in the brief presented to the committee. The railways have lost about 20% of their personnel to the armed forces and expect these men to come back to their old positions or to better ones, with seniority preserved for them. This will be possible, say the railways, because many thousands of employees now working for the railways are persons who would not normally be employed -- married women, women doing men's work, juveniles and pensioners. As for new employees, the Canadian National points out that since they have no seniority, they must undergo a period of apprenticeship or part-time work, during which they would have less than full employment. Such temporary positions are mostly of a seasonal nature and would call for unskilled or semi-skilled labour on construction or maintenance work in the summer and snow removal in the winter. This work would add to the general pool of employment, but would not lead to permanent employment.

Canadian National officials divide possible work projects into four classes: Capital works to expand the company's field of operations; projects which can pay for themselves; desirable but economically marginal projects, and projects desirable but not productive of net revenue to the railways. Self-liquidating projects are the only ones which the railway would undertake at its own expense. All others would require some form of government assistance. The four classes of projects would provide an estimated 95,000,000 man-days of work at a total cost of \$640,000,000. The Canadian National Railways state that, assuming there is a post-war national income of approximately \$8,000,000,000, the annual operation and capital expenditures of the C.N.R. would be in the neighborhood of \$317,000,000 and the system would provide direct and indirect employment totalling 47,000,000 man-days a year. Each 1% increase in national income would increase employment by .7%, and each decrease of 1% in income would decrease employment by .75%.

The Canadian Pacific Railway states that the volume of its business is an index of the total income, in the form of goods and services of the people of Canada. The economic objective of the company must be to conduct its affairs to contribute as much as possible to raising the income of the citizens of Canada to the attainable maximum. Wartime experience, says the C.P.R. brief, suggests that depressed economic conditions may be unnecessary and that it should be possible under correct national policies for private enterprise to provide employment and a fair standard of living. The submission stresses that its forecasts are predicated on several assumptions: Victory which will bring free development of international commerce, a continuing free democracy in Canada, private enterprise as the basic source of economic activity, and legitimate types of collective bargaining.