

for employees, and on the other hand provide protection to the taxpayer from unnecessary expenditures and cutthroat competition which may result in large deficits.

Not only must competition be subject to controls, but competition must be fair. It seems to me there can be no fair competition between two companies if one of them is permitted to go ahead, or if it should go ahead, with the idea or on the presumption that the government, that is the taxpayer, will pay any deficit it incurs, while the other is obliged to meet its obligations out of earnings, and in addition, pay large taxes.

Cooperation is as essential as competition in the interests of the taxpayers of this country.

There are two other factors that enter into the picture. One is the fact that Trans-Canada Air Lines, which the government has established as a great monopoly to control trans-Canada airways will have an adverse effect on Canadian National Railways earnings. Mr. Symington, president of Trans-Canada Air Lines, was asked what effect the air lines which it was proposed to establish to the British West Indies and South America would have on the earnings of Canadian National Steamships. He replied that he did not know if the matter had been considered. In reply to another question he said:

There was no use blinding our eyes to the fact that they (that is the T.C.A. and other air routes) are going to interfere with the Canadian National Railways and the Canadian National Steamships.

It is going to cut into the earnings of those two companies. The question of government-owned transportation systems cutting into each other's business should be studied by the government, for it is not in the interests of the taxpayers to have one government-owned transportation company cutting the throat of another government-owned transportation company. That should be avoided. As I have said, the Minister of Transport and the government should direct their attention to this question.

I would suggest that the government might give some consideration to amending part II of the Canadian National and Canadian Pacific Act, which provides for cooperation, so that it might include government and other air lines operating in or from Canada.

The other factor which should be given some consideration is competition between railways and auto trucks. I hold in my hand a report of a statement which was made by Mr. Hector L. Lapointe, Canadian National

Railways economist, in an address which he made this month. This is what he says:

Competition between railways and trucks has never been, and is not now, fair or equal, and annual losses in revenue to the railways have assumed alarming proportions.

This is a statement of a C.N.R. economist, a qualified official. He goes on to say:

As a result, in the pre-war years, the situation was so grave that the financial stability of the railways was badly shaken. In fact, it was only through the very heavy war-time traffic that the railways were able to replenish their treasuries. To-day their position is sound, but will only remain so as measures are taken to place all forms of land transport on an equal basis and also to correct the business ways of the trucker which, under existing conditions, promote cutthroat tactics, wasteful competition and discrimination.

Mr. Lapointe went on to say that the first and most important steps toward a solution was a proper coordination of all methods of land transport. I would direct this statement of an official of the national railways to the attention of the Minister of Transport and to the government.

These, Mr. Chairman, are the only suggestions I wish to make at this time.

Mr. BLACK (Cumberland): Before the resolution carries, I would first commend the hon. member for St. John-Albert for his thoughtful remarks with respect to this resolution. I should like to direct some special questions to the parliamentary assistant to the minister who has the responsibility for this resolution or to the Minister of Transport. This resolution provides for the capital expenditures required by the Canadian National Railways for the current year and, I presume, for the ensuing year. I should like to ask the hon. member who has the resolution in charge and the Minister of Transport what provision has been made for the construction of the Canso causeway or bridge and also for the realignment and improvement of the grades on the railways serving the eastern part of Nova Scotia. That subject has been discussed in the house on different occasions and has been supported by members from Nova Scotia, including the hon. member for Cape Breton South. It was before the re-establishment and reconstruction committee, who approved it. It was approved by the government of Nova Scotia, whose premier at the time, Hon. A. S. MacMillan, gave evidence before the committee I just mentioned. As I remember his evidence, he staked his reputation that the causeway, including the diversion of the railway, could be built for \$4,500,000, though personally I believe those figures would have to be confirmed by accu-