

\$4.5 million.... It is true that Mr. Russell told us that the railway is in a fairly good condition, basically. When the railway was built, the contractors were paid by the mile, and they were not too particular about how they built it. For instance a lot of culverts were built of wood, and the wood rotted and had to be replaced. Now it is true, in recent years they have replaced a number of those with concrete culverts. A certain amount of ballasting was done. In other respects the railway is in better condition than it has been for years. But the main line has to be re-railed.... That will call for a better roadbed. That will run into money. How much is any man's guess. They have to buy seven new locomotives, and a lot of new rolling stock. If the railway were good, they would not have to re-rail the line, buy locomotives and buy rolling stock. But when the Committee visited the Railway and spent an afternoon with Mr. Ryan, that matter was raised. It was admitted that at the end of World War I they had a completely worn-out railway. There were lives lost and people maimed on account of the condition of the railway, because of the traffic it had to carry, and which no one anticipated it would carry. The question was put to Mr. Ryan, "The railway has been called upon to carry tremendous amount of traffic during the war years, is it now as worn-out as it was at the end of the last war?" He said, "No, it is distinctly better now than at the end of the last war." Because, he told us, during the war years they did spend some money on the roadbed, and some money on rolling stock and some on general upkeep.... It is better than it was but is far from being perfect and a lot of money has to be spent to make it ordinarily efficient and workable.

**Mr. Hollett** Mr. Smallwood said something about not congratulating ourselves on the condition of the railway. It seemed to me he was pleased with the condition of the railway. Mr. Smallwood said that at the end of World War I we had an absolutely worn-out railway, would he tell me what the government has done in regard to that?

**Mr. Smallwood** When the railway was worn-out, it was owned by the Reids. The Reids kept coming to the government with this, that and the other proposition and finally the government had to step in. They appointed a Railway Commission and they brought in railway experts. The

upshot was that in 1923 the government bought out the railway from the Reids.

**Mr. Hollett** What did they do with the railway?

**Mr. Smallwood** When the government bought it, they re-railed the whole line.

There are always improvements going on. For a small country, it is a mighty system. Naturally, capital expenditure has had to be made — stations, sheds built and re-built, as regularly as clockwork.

**Mr. Miller** I think the point is now very clear that the management of the Railway in the lean years did a good job. When war came along we had a railway system which might have carried on for a long period to serve our needs, but an excessive burden was thrown on it ... I cannot be reconciled to the fact the Newfoundland should be saddled with an expenditure on a railway which helped fight a war, beyond our means. Someone else should pay.

**Mr. Hollett** What I cannot understand is, one statement says the railway is worn out, and another says it is in better condition than ever.

**Mr. Butt** Basically, it is in a better condition. They have put in new culverts; done a lot of ballasting; taken off curves; have built new sheds which will last for long periods; have put gravity feed in the water system. Basically the railway has an outfit better than before....

**Mr. Hollett** I wish to draw attention to this particular report. You will note that everything we have in this country is absolutely worn out and should be scrapped. It is tragic. We have to throw the postal telegraphs in the Narrows and get in a new system. The railway has to be re-railed. Everything this report touches has to be scrapped. That is an important thing to remember when we are discussing forms of government. What particular form of government is able to afford that? When we come to sum up, we will have to bear that in mind.

**Mr. Job** Are we now discussing the report, not only on posts and telegraphs, but the general report?

**Mr. Chairman** Yes.

**Mr. Job** We have not had any general picture of what all these six items are going to cost the country. As a member of the Finance Committee, I may say we are rather interested in finding out what that is.... I take it from this report that the Finance Committee will have to estimate a rise