

### Coal vs. Diesel Issue Discussed By CNR President

SAINT JOHN, N. B., June 14—20,133 persons were employed by the Canadian National Railways in the Atlantic Provinces last year and wages paid amounted to over \$81,000,000, Donald Gordon, chairman and President of the C. N. R., said here today in an address before the Board of Trade.

"When you consider that the Governments of these same Provinces have budgeted to spend a combined total of about \$100,000,000 in 1951 you can see that your railway does indeed play a very important part in your economy," he added.

"The largest single item we purchased from Maritime sources, of course, was coal. We ordered 1,217,000 tons of coal from twelve mines in New Brunswick and Nova Scotia and received delivery of 1,187,000 tons. This item alone amounted to slightly more than \$10,000,000 in value. It represented 33 per cent of New Brunswick's total coal production and 17 per cent of Nova Scotia's. This year we will be spending at least as much for coal and probably more for equipment and general supplies than we did in 1950."

Dealing with the matter of coal in relation to diesel power, Mr. Gordon said, "If the diesel retains its present advantages of economy and efficiency, then coal burning locomotives may well become extinct as the dodo. But research is going on in many quarters aimed at the development of new power plants which would make more efficient use of coal as a fuel."

**Gas Turbines**

The gas turbine locomotive, burning pulverized coal, is only one of many interesting possibilities being studied. Accordingly, the C. N. R. is not in any sense committed to the adoption of any single type of motive power.

We are very conscious of the fact that a large scale investment in any one type of locomotive invites the risk of rapid obsolescence, if having put all our eggs in one basket. It turns out that we guessed badly about developments in the motive power field.

"It is certain," he said, "that even if the diesel were to supplant coal fuel types as completely as the automobile has replaced the horse, and that is a supposition I am by no means prepared to accept, such a change could not possibly take place overnight, or even in the space of a few years."

A 3,000 H.P. diesel road locomotive costs nearly \$400,000 to replace the 1,900 freight and passenger steam locomotives now in service would require an estimated capital investment of \$400 millions. Almost twenty times as much as the C. N. R. spent on all types of equipment last year.

Last year the railway ordered 48 road diesels, operated in units of two, these would provide only 24 motive power units, and Mr. Gordon said that the number of additional units that could be obtained in 1952 would depend largely on how much steel and copper and other necessary materials can be made available for locomotive construction after defence needs are met.

**A Slow Process**

"So at the present rate of replacement," he said, "the transition from reciprocal steam power to diesel or any other form of locomotion is bound to be a relatively slow process under even the best of circumstances."

He said that the C. N. R. had no present plans for putting either diesel or oil-burning locomotives of any kind on any main passenger trains running in the Maritime Provinces. "For our steam operations we are still in the market for all the coal you can supply us."

"We have put diesel locomotives on the manifest freight runs between Montreal and Halifax to give you better and more efficient service. And I think those of you who do any volume of shipping to or from Central and Western Canada will have already noted an improvement in this respect."

Experience on the national system with diesels had established that savings as much as \$150,000 a year per double diesel unit could be effected, said Mr. Gordon.

When we can thus combine service with lower costs, every Canadian, as a shareholder in this transportation enterprise, should welcome our action.

"If the current price relationship between diesel fuel oil and coal are maintained or widened," he continued, "then our coal burn-

### New Strides In Efforts To Develop H-Bomb

(By Elton C. Fay)

WASHINGTON, June 14—(AP)—United States atomic experts gained "much useful" information toward creation of a hydrogen bomb in the latest series of Eniwetok tests, they said Wednesday.

And they let it be known that "larger, improved" standard atomic weapons of "several times" the power of the original bombs had been tried out.

The first official public report of what was done during tests last April and May at the mid-Pacific proving grounds was given at a joint press conference of the Atomic Energy Commission and Defence Department.

Officials of the two agencies and of the task force which carried out the tests told a little of what went on.

Out of the conference also came these facts:

1. So much progress is being made in bomb development that tests will be made more frequently than even the stepped-up program of the last six months at the Nevada and Eniwetok proving grounds.
2. For the first time, jet planes, both bombers and fighters, were used in atomic weapons test to see how they would stand the blast and heat of atomic explosion while in the air.
3. All of the Eniwetok explosions were made with bombs mounted on steel towers; none was dropped by planes.

Lt.-Gen. Elwood R. Quesada, commander of the joint task force which conducted "Operation Greenhouse" at Eniwetok, said:

"The official took pains to caution against overemphasis on hydrogen bomb progress."

### Gerald Waring Reporting

OTTAWA.—Defence needs and inflation control on one side and housing on the other are engaged in a tug-of-war, with the government in the middle.

How to reconcile these opposites, to provide adequately for defence, to contain inflation and at the same time to meet the increasing demand for housing, may well prove the most baffling problem of 1951.

The program to build up the nation's defences requires the diversion, by priorities if necessary, of much of the materials and labor which otherwise would go to help overcome the housing shortage.

The halting of inflation demands that money be made more expensive, so that capital investment, which includes housing, will be reduced and thus reduce the inflationary bidding up of prices.

The implementation of these government policies threatens the entire home building program at a time when only a dent, to the extent of 40,000 new dwelling units, has been made in the old backlog of housing demand—estimated now at more than 700,000 units.

Some members of Parliament, particularly of the CCF Party, advocate direct government subsidization of low-cost rental and sale housing not as an answer to this problem, but as a downright necessity. They praise section 35 of the National Housing Act, which provides for joint Federal-Provincial-Municipal financing of low-cost housing, but contend it doesn't go far enough.

There is some support for this view even among the Liberals, notably by David Croll (Lib., Toronto-Spadina) who urges the gov-

ernment to recognize that housing is an essential capital expenditure, and should not be curtailed. Push construction under Section 35, he advises.

Even without the deterring effects of defence needs and the inflation control program, it's doubtful if the government would agree to subsidize housing. Resources Minister Winters is against subsidization on principle, and Prime Minister St. Laurent backs him solidly. Winters maintains that housing is the responsibility of private enterprise, and that the government's role should be limited to cooperation to encourage private enterprise.

Government opinion is that the level of home construction activity last year cannot be carried through 1951 because of looming material shortages. That is why it withdrew the one-sixth additional mortgage provision under the National Housing Act on Feb. 5, and why it won't lend money on the basis of present inflated construction values, but only on January, 1950, values.

Completed units this year may equal the 91,000 of 1950, but government experts believe the carry-over of unfinished dwellings into 1952 will be smaller as a result of the brakes which both the gov-

ernment and material shortages will place on home construction.

The result is bound to be disappointment for many who, despite inflation, have been slowly getting themselves into positions where they could afford to build or buy—unless the government takes direct action, by larger loans, material priorities or even subsidization, to ensure that construction keeps

pace with demand.

So far the only encouragement the government has given home construction this year is the promise, as yet unfulfilled, that housing will have a number two priority on materials, after defence, and action last month to increase interest rates on NHA loans, ostensibly to attract more private capital into housing.

### Will Operate Bus Line To Halifax Says Mr. Gordon

SAINT JOHN, N. B., June 14—In an address before the Board of Trade here today, Donald Gordon, chairman and President of the Canadian National Railways, announced that tomorrow the Railway will begin operation of the bus service formerly operated by the McKenzie Coach Lines.

"This company," he said, "was recently purchased by the Boston and Maine and Maine Central Railways and we have entered into an agreement with them whereby we will operate the line between St. Stephen here in New Brunswick and Halifax and Glace Bay in Nova Scotia."

Continuing Mr. Gordon said: "This does not mean any shift in emphasis in our transportation policies. Our rail operation remains our primary concern because we are first, last and foremost a railway system."

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