

PROJECTED LEVELS OF DOMESTIC COMMODITY PRODUCTION AND
TRANSPORTATION TON-MILES IN CANADA 1958-1960

(Sources: Royal Commission on Canada's Economic Prospects; Railway Association of Canada; C.N.R.)

Mr. GORDON: This chart indicates some projected levels of domestic commodity production and transportation ton-miles in Canada up to 1980; in other words, this is really a crystal ball chart, we are looking far into the future.

In the foregoing charts we have shown you recent trends in our traffic and in our gross revenues. We have shown how these trends were influenced by conditions in the general economy and by the growth of other transportation media.

The chart before you illustrates on the long-term forecast basis that the demand for our services is expected to grow with the country but not as rapidly as Canada's major commodity industries. The top line labelled domestic commodity production was derived from estimates of the royal commission on Canada's economic prospects and suggests what is expected to happen to the output of goods in agriculture, in the resource industries and in manufacturing by 1980. As you can see, the commission anticipated almost a quadrupling of output in these industries in Canada between 1949 and 1980. The lines labelled total transportation market and all Canadian Railways indicate expected percentage increases in ton-miles for all forms of transportation and for that of Canadian Railways for the same time period. You may note that total transportation volume is expected to triple while railways are expected to double their volume for the period 1949-1980. These educated guesses and I emphasize that that is what they are, were prepared by the Railway association of Canada.

If these latter expectations are fulfilled, we might also expect CNR volume in 1980 to double that of 1949. However, our economists are a cautious lot and they prefer somewhat lower results as shown by the line labelled CNR which represents approximately a 70 per cent increase over the 1949 level. I may say that in coming up with this result they not only took into account the findings of the royal commission on Canada's economic prospects but also studied in some detail transportation trends in approximately 40 industry groups. I feel that their final estimate of about 50 billion ton-miles for CNR in 1980 as compared with 35.5 billion in 1959 and 30.9 billion in 1949 is realistic enough to provide us with a good basis for planning our current capital expenditures. From this kind of analysis we reach decisions in respect of what sort of planning to do for handling the increased volume of traffic, this involves ordering of equipment, locomotives, and so on. We use this type of analysis as a guide. From some points of view our outlook is a little more conservative than that shown by the royal commission, nevertheless we think the indicator a sound one for the purposes of our own planning.

Mr. CREAGHAN: On that last chart, Mr. Gordon, all Canadian railways around 1950, you have the C.N.R. and C.P.R. together, have you not?

Mr. GORDON: Yes, that shows as the dotted line—would you please point to it, Mr. Wahn.

Mr. CREAGHAN: But then when you get over to 1980 it looks as if C.N.R. anticipates getting about 70 per cent of the total railway increase, and the C.P.R. gets 70 per cent also.

Mr. GORDON: There are four different projections. Would you deal with that, Mr. Wahn, and explain it.