

Mr. VAUGHAN: Some of those sheds were rented during the war to the United States government. We hope to fix them up sufficiently so they will not be dangerous, anyway.

Mr. HAZEN: The only question I might ask is, do you consider it advisable to operate a line of railway that shows a deficit of \$580,000?

Mr. VAUGHAN: We could not do otherwise. The I.C.C. would never give us permission to abandon that line, and besides we have a 999 year lease made by the Grand Trunk many years ago on portions of that line which obligate us to operate it.

Mr. JACKMAN: You lease it to other American railroads?

Mr. VAUGHAN: No, we leased this from companies that were in existence at that time.

Mr. JACKMAN: Companies not owned by the system?

Mr. VAUGHAN: Not owned by the system. We paid a rental for the railway. We own it to-day. We did not own it up until a year or two ago, but we own it to-day.

Mr. JACKMAN: As a matter of perhaps theoretical interest could you not abandon that line?

Mr. VAUGHAN: No, the I.C.C. will not permit a line to be abandoned as long as that portion of the country needs railway service regardless of what the financial results are. They will not allow anybody to abandon a line purely on financial results.

Mr. JACKMAN: It is a nice type of business.

Mr. VAUGHAN: The Board of Transport Commissioners would not do that in Canada either. There are any number of railways in the United States which would like to abandon portions of their lines, but the I.C.C. would not permit them to do it.

Mr. JACKMAN: You are seized with the public interest then?

Mr. VAUGHAN: We have to be.

Mr. LAPOINTE: Do I understand you to say that the Board of Transport Commissioners will not allow the abandonment of a line merely on the financial results the company produces?

Mr. VAUGHAN: That is one of the reasons advanced by us, but I have never known the Board of Transport Commissioners—perhaps I may be wrong—to consent to the abandonment of a line purely on account of the financial results obtained. They always take into consideration whether there are other forms of transportation that will give public service if that line is abandoned.

Mr. HATFIELD: Do you have any service on that line from Island Pond to Portland?

Mr. VAUGHAN: We have a daily passenger train from Montreal to Portland as well as freight trains.

Mr. HATFIELD: They pick up in the United States?

Mr. VAUGHAN: Yes. For instance, there are some large paper mills down there. There is the Brown Paper Corporation at Berlin, New Hampshire, and other industries which are served by our railway.

Mr. LAPOINTE: Mr. Vaughan knows what I am thinking. The reason I brought it up was that every time the case has been argued before the Board of Transport Commissioners the argument of the railway has always been based on the bad financial results of the year's operation?

Mr. VAUGHAN: Yes, sir.

Mr. LAPOINTE: I have noticed similar cases where abandonment was asked by the railroad for exactly the same reasons.