

Mr. BYRNE: Would you say that there is no question that the Board of Transport Commissioners has determined that their cost accounting in respect of the Dominion was considerably out of line?

Mr. MAURO: Yes.

Mr. BYRNE: Would you say that their cost accounting in respect of other aspects of their services were even approaching his divergence—that is, the freight services and so on? How could they go so far wrong on one and not the other, and still give us a true submission?

Mr. MAURO: They are not being consistent. They have been wrong both times that I have had occasion to take note. They consistently tend to exaggerate their costs when it is better for the case. That is good business, I guess.

Mr. BYRNE: Did the CNR make a submission at this point?

Mr. MAURO: Both railways made an exhaustive submission relative to the export grain. You may recall that so far as the CPR's report to the MacPherson Commission was concerned, there was no other evil in Canada but the Crowsnest Pass rates, and if that could be removed we would enter a new era of prosperity and joy. And, when the Western Provinces said, "Let us, if we are looking at deficits, look at some other deficits; we want to see your passenger deficits", then they came forward and submitted some numbers. We never did do a costing on passengers. They submitted some numbers and the MacPherson Commission determined on that basis.

Mr. BYRNE: This is a difficult question to answer, but what losses would you say would be acceptable—what percentage of losses in respect of passenger service. The CPR says that they need only provide service if there is effective demand. Of course, we can not go to the extreme, one passenger does not make sense.

Mr. MAURO: That is, I think, a very valid question, Mr. Byrne, and I only wish that I could give a simple answer. I do not know. I think that we have to establish in this area, as we hope to establish in the branch line rationalization area, some overall statistical base where you can say that now this is an effective demand by way of numbers, and must be met. That is, the number of people that require service.

Mr. BYRNE: That is right. Now, this is a very important question with respect of the attitude of the Government of the Province of Manitoba. Yesterday a witness—I believe he was a Mayor of one of the cities of Saskatchewan—said in respect of competing services that the Greyhound or whatever bus service was operating there had deliberately set their schedules to coincide on a parallel line with the "Dominion", and when the "Dominion" was taken off then their service was taken off. Would the Province of Manitoba agree that should a regional service, a high-speed transit service, be provided across the prairies, that there should be some method of franchising that service on the rail and accept at the same time a rate schedule, bearing in mind that there may not be quite enough traffic?

Mr. MAURO: You mean that you would set up a method of limiting the competition in surface transportation?