

(Text)

Mr. MACDOUGALL: That is the general line.

The CHAIRMAN: Clause 8 is agreed to.

On Clause 9—*Undertaking*.

Mr. PETERS: May I ask Mr. Macdougall the following question? Are we now acquainted with all the plans and the potential of this company?

Mr. MACDOUGALL: I think so. I am not sure I understand the portent of your question, but I think it has been explained what the company generally intends to do.

Mr. PETERS: I think the matter of providing transportation is of great interest. I understand there are two or three other terminal companies that are not unlike this one. There is a terminal company in Toronto, I believe; and I think there is at least one other joint participation terminal company. Could you explain what type of transportation is provided for express, for freight and other auxiliary transportation agencies that may be concerned?

Mr. MACDOUGALL: I think in Toronto, which is one of those spoken of earlier—and I think it would be comparable here in Ottawa—each of the two major railway companies intends to continue to do business in the city of Ottawa, to solicit passengers and freight.

Mr. PETERS: Why?

Mr. MACDOUGALL: Because that is the business in which they engage, to carry passengers and freight to all points in Canada.

Mr. PETERS: I am thinking of something else. In the last year the Ontario Northland Railways have gone into a joint merchandising program with Canadian National and Canadian Pacific on their distribution points. The Canadian National and the Canadian Pacific gave up their express contracts and they set up a merchandising agency operated by the Ontario Northland Railway. I was under the impression that this may have been through the merchandising system under this transportation company. Incidentally this was done at the request of the Canadian National Railways. It was their thinking on the matter. This is why I was surprised when you said you intended to carry on these activities.

Mr. MACDOUGALL: Changes are taking place all the time, either within the company or with other transportation agencies. The intention in Ottawa is that each railway company will solicit its own traffic to and from the city of Ottawa, and the carload traffic will be delivered here. The terminal company will do the actual handling and placing of the cars, and the handling to and from the warehouses. From the point of view of service to the public, each of the railway companies will be serving its own customers, some of whom will be joint between the two of them because they will be served through the company to either railroad. The two railway companies are in competition for the traffic. It may be a haul from Ottawa to Vancouver, and naturally they will each service their own interests here. However, the service is being provided within the terminal, the maintenance of the trackage and the maintenance of all the joint terminal facilities, as well as the switching and so on which will be done by the terminal companies. The co-ordination that has to be done between the two of them working, as they will be, close together, will be done through the terminal company. However, since both railway companies are national in scope and the terminal company is local, they will each have their own direct connection with the public, both passenger and freight, to solicit and handle traffic on their own railroad, on the long haul transportation in which they engage.