

The VICE CHAIRMAN: Those are all the questions we have.

Mr. FORBES: I would like to interject a thought regarding these branch lines about which some of the members have been asking. My understanding—and I was in Manitoba in the early days—was that a number of these branch lines were built as feeders for the main line. They were intended as a profitable enterprise to start with but they were feeders for the main line which would show profit for the Canadian National Railways. This accounts for that great section of lines you see all over the map.

Mr. FISHER: I would like to make one suggestion. If they want to get a parallel to support Mr. Forbes' argument, T.C.A., for the last number of years, has shown a profit, I think with the exception of one or two years, and yet, on a number of occasions their president has indicated that only two routes on the system are actually moneymakers. The whole thesis of T.C.A. is that these routes only seem remunerative and yet they are not, such as, for example, the route from Montreal to Toronto which actually does not pay, but in so far as it fits into the national route it is considered worth while. I think this point is often missed in connection with line abandonment in the railways' propaganda. I would suggest to you it is a good analogy. I think this would also apply to the Canadian Pacific Air Lines, although, of course, we have not had the opportunity of hearing them, but this must also be a parallel.

Mr. PASCOE: Mr. Chairman, could I just ask a final question? The witnesses have been speaking about a rational adjustment of the railway problem on a regional basis. They say that the new authority must have real authority.

Coming back to the question which Mr. Cantelon touched upon, you mentioned here one railway being able to operate over other railways' lines at certain points. On page 10 you say that the authority should be in a position to recommend this situation. Would you use a stronger word than "recommend"?

Mr. SCARTH: The brief continues "as a condition of abandonment of other lines in the area".

Mr. PASCOE: But you used the word "recommend".

Mr. SCARTH: If the recommendation is not accepted, presumably other lines would not be abandoning the area.

Mr. PASCOE: You are talking about real authority in one place and recommending it in another.

Mr. SCARTH: The railways are in a position to make application to the authority for abandonment. If they wished abandonment, I think it would be logical to request that for the remaining segments of line running rights be granted. If those running rights are not granted, it did seem logical to the members of the association that there might be no abandonment.

The VICE CHAIRMAN: Gentlemen, I want to thank you on behalf of the committee for your attendance today and for presenting your brief, as well as for being with us from early this morning at 9.30 until late this afternoon. I want to thank Mr. Jamieson, Mr. Rose, Mr. MacKenzie, and I wish to say that I forgot to introduce Mr. Scarth, Q.C., solicitor for the Branch Lines Association of Manitoba.

Mr. PASCOE: Can we point out to the witnesses that we sit in parliament until 11 o'clock at night?

The VICE CHAIRMAN: Before the committee leaves I want again to say that next Tuesday, March 30, three delegations will come before us. All their briefs have been distributed to the members this afternoon. It is my hope that next Tuesday all the members will have read those briefs and we will take the briefs as read and have them printed as an appendix to the meetings' proceedings and thereby save more time for questioning.