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rate as they are obtaining high rates and, in some cases, a premium. It is the service offered which has controlled the business.

Undoubtedly there must be improvement in service, more modern methods of handling freight and greater frequency. More and smaller units operating in zones might be effective, though this would be costly with the steam locomotive. Electrification would lend itself to this development.

The container, as used, in different forms on many railways in the United States and Britain, offers a method which, if adopted in certain parts of Canada, might go a long way in restoring the lost tonnage. The container idea has been developed in different forms. Broadly speaking, it consists of special container railway cars. These cars carry a number of containers or boxes which are readily transferred to motor trucks for road movement. Thus that part of the haul, which is not economically done by the road vehicle, is done by the railway and, on arrival at its destination, it becomes the body of a truck and permits door to door delivery.

The distance of road haul would be governed by several factors. The location of terminal points and the area from and to which collections and deliveries are made would have a bearing but the basic governing factor should be that line haul be performed by the railways owing to the lower cost.

It is recognized that as volume of freight tonnage increases unit costs decrease but the demands of the customer for more frequent movement would seem to tend to confine the long and heavy freight train to transcontinental hauls and those where highway competition is not a factor.

It is not intended, herein, to go into detail as to the various types of container car and container equipment, as the subject is an extensive one. It is sufficient to say that the principle has been tried and proven over a period of years with excellent results.

Road haulage is either done by the railways with their own or controlled equipment, or by contract. The contract method has definite drawbacks not the least of which is the setting up of an organization which might become an embarrassment to the railway. The contact with the shipper is lost to the railway and given over to an intermediary who might use this goodwill asset to bargain for terms as between the two rail transport organizations.

Such a development would enable the railways to dispense with their present urban trucking facilities and would largely do away with the need for the present extensive freight shed accommodation. Further, it would increase the field of competition, as between the two railway companies, as each could solicit business for territory not now serviced by itself.

W.L.M. King Papers, Memoranda and Notes, 1933-1939  
(M.P. 26, J 4, volume 220, pages C149883-C150385)

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