

Mr. BYRNE: And, as you said, they have shown when the CPR increases the number of passengers, so long as the deficit continues, they compound the deficit by doing this. At least, up to the point where they have not overcome the operating costs.

Mr. MAURO: I did not say that they did. Mr. Boulanger asked, "Would not the CPR be losing millions if it has not this train running in 1967?" My reply was that in fairness to the CPR if they were losing on each passenger carried then to carry a million passengers would be to lose a million times a little bit.

Mr. BYRNE: If we can take their statement of loss per operating day at face value, do you feel, do you suggest bearing in mind the 1880 agreement that they are required under the act to carry passengers from outside of Canada? They have made the agreement with the Canadian government and not with the American government.

Mr. MAURO: This portion of the brief of course is not dealing with the contract at all; it is dealing with the law of Canada under Section 315 of the Railway Act, and I am very strongly suggesting that the Railway Act makes no distinction between a person who happens to have started his trip in the United States and then presents himself for carriage in Canada, and the native born Canadian owning citizenship papers. It says that the Canadian Railways under the Railway Act will in fact furnish at the place of starting, at the junction of the railway with other railways, and at all stopping places establish for such purpose adequate and suitable accommodation for the receiving and loading of all traffic offered for carriage upon the railway, and that the decided decisions of the Supreme Court of Canada accepted by the board of transport Commissioners is that the very purpose of Section 315 was enacted for the protection of the interests of the general public who require the services of the carriers, they were not enacted for the benefit of the railway or the employees.

Mr. BYRNE: I agree with you 100 per cent on that reference but at the same time can it be fairly said that the CPR should continue to advertise these services in the United States unless they see a possibility of operating at a profit.

Mr. MAURO: I see no requirement for the CPR to advertise for loss business. But it has not yet been proven, and the experience of the Canadian National is indicating a rather interesting trend upward on revenue per passenger mile and net passengers. Now, as I say, there has been no study so all of us speak from certain hypothetical situations.

Mr. BYRNE: It has been said that national railway will lose something like \$40 million this year. I have nothing in black and white to substantiate that statement, but I believe it was said by the Canadian Pacific witnesses in Ottawa. I have not heard it denied.

● (2.15 p.m.)

Mr. MAURO: I would venture to say at this point in time a proper costing of the Canadian National passenger services would indicate a deficit. The magnitude of that deficit is conjecture.

Mr. BYRNE: I just have a few more questions. You, I understand, Mr. Mauro, appeared before the MacPherson Commission, and you have heard and read, of course, at that time the submission by the Canadian Pacific Railway?

Mr. MAURO: Yes.