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been said that the loss to railways in Ontario in one year, on this item alone, is more than \$12,000,000.00.

In the State of Michigan in 1929 common carriers (not including privately owned or contract fleets) reported earnings in excess of \$4,500,000.00.

The full effect of truck competition is realized if we assume that the average railway revenue per ton is \$15.00 and apply this to statistics on road vehicles in the United States in 1932, we find the stupendous figure of over \$600,000,000.00 as representing railway loss for that year alone.

The Bureau of Statistics in Ottawa gives the following figures covering motor vehicle registrations in Ontario for 1933:

Trucks	61,549
Buses	2,909

While these figures are all inclusive of those vehicles not in any way competing with the railways, it is a fact that every one of these 64,000 vehicles is a potential threat to railway business.

As any country's export trade depends largely upon its ability to place its goods upon the market at a price, the railways, for one reason or another, carry certain classes of freight at a low rate, even at times taking a loss. Nor should the manufacturer or general L.C.L. shipper find fault with this situation for the shipper of raw materials - products of the forest, mines and the great wheat growing areas of the country - is ~~the~~ his market and one cannot prosper without the other. It is necessary, therefore, that the volume of remunerative freight be maintained. It is unfortunately true, however, that it is the remunerative business that is being lost.

We are forced to assume that the railways, as at present equipped, cannot compete with the service offered by road transport. This is proven by the fact that they have lost and are still losing business.

With a coordinated motor truck and rail service, the railways could transfer the road haul to the rails and do the actual trunk line haul at about one tenth the cost of motor road competition. Herein lies the strength of the railways position. As a result all road haulage beyond the economical limit of the motor truck would be transferred from the highways to the rails.

To regain this lost business, there are a number of courses open to the railways. It might be said that rates could be cut but as this class of business, in a measure, compensates for the low rate on other classes, such action would not be sound and would necessitate the alteration of the whole railway rate structure. The road truck has not obtained the business by undercutting the railway

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