

Mr. HAZEN: You are carrying soldiers going on leave, I understand, at one-third of a cent a mile, or at the rate of one-third the regular rate.

Mr. VAUGHAN: I have not got the exact charge here, but there was a special arrangement made by both railways with the Department of National Defence under which on certain leaves, not all leaves, but certain leaves, I think, where it was two-thirds of the one-way fare or something of the kind. One-third was paid for by the government—

Mr. HAZEN: The government is paying some?

Mr. VAUGHAN: Yes. I think it is here. It says these fares were based on two-thirds of the normal one-way fare for the round trip, one-third of the one-way fare payable by the Department of National Defence and one-third payable by the holder of the warrant; the other third is the amount of reduction in fare assumed by the railway.

Mr. HAZEN: You are getting two-thirds of the regular rate. Are you making any profit on that?

Mr. VAUGHAN: On some we make a profit and on some we do not. By and large there is very little money in the passenger business.

Mr. HAZEN: Very little?

Mr. VAUGHAN: Very little money in the passenger business. It has always been a drain on the railway. We have usually shown a substantial loss on our passenger business.

The CHAIRMAN: That is to say, on all railways?

Mr. VAUGHAN: Yes, practically; on certain trains they make money, but if they have a widespread business like ours, by and large they will not make money on the passenger traffic.

Mr. LOCKHART: Are there many passenger trains run for the soliders? I know there are a lot of passenger trains taking troops going overseas and back, but I am speaking of the movement generally back and forth.

Mr. VAUGHAN: No, unless an arrangement is made with the Department of Transport. We frequently find that we need extra trains, because of the soldiers moving on leave in large numbers and we have to sometimes split the trains up into sections. That frequently has been done.

Mr. NICHOLSON: What policy is followed in splitting the business between the railways in competing points? What share are you getting?

Mr. VAUGHAN: I think that was up last year. We do not have any say as to the division of the business. That is under the control of the department. We are trying to get as much as we can.

Mr. NICHOLSON: I recall last year you were not getting your share, taking into consideration the mileage you have. I was wondering if there was any adjustment.

Mr. VAUGHAN: We still think we are not getting our share.

Mr. NICHOLSON: Have you any figures available that the committee may have?

Mr. VAUGHAN: No, we have no figures to show definitely the amount that is paid by the department for the movement of troops and other services to both railways.

Mr. HAZEN: Have you any figures available to show how you estimate your loss on carrying passengers?

Mr. VAUGHAN: That was done at one time; I do not think it has been done in the last few years.