

Mr. ELLIOTT: (Kindersley): Do you not think it would be setting a bad precedent to have men working on jobs for overtime only?

Mr. HUNGERFORD: You could not permit that.

Mr. BARBER: But the work could be divided.

Mr. HANSON: As to the distribution of the dollar and the item of Labour, how does that figure of .5494 for 1936 compare with the American roads?

Mr. ARMSTRONG: I think we can get that information for you.

Mr. HANSON: It would be interesting for the committee to know how that figure compares with other roads.

Mr. DEACHMAN: Which do you consider the most profitable, passenger or freight transportation?

Mr. McLAREN: Freight.

Mr. DEACHMAN: In the last few years there has been a decline in freight rates on the average in Canada, has there not?

Mr. McLAREN: Yes.

Mr. DEACHMAN: Is it not true that the decline in passenger rates is greater than the decline in freight rates?

Mr. HUNGERFORD: I do not think that can be answered offhand.

Mr. DEACHMAN: I looked at the average rate the other day and it shows there has been a greater decline in the per passenger mile rate than in the freight rate. I am not asking the question in order to embarrass my friends, but it struck me as rather peculiar that the transportation of freight being the most profitable, the greatest cuts should be made in the passenger business?

Mr. HUNGERFORD: There has been a tremendous shrinkage in passenger business due to the development of good roads, the automobile and the bus, and there is a school of thought which holds that by lower rates, more attractive equipment and things of that kind we can get a portion of that business back, and that is what we have been trying to do.

Mr. DEACHMAN: I think that is the real answer. I think it is a question of making the attempt to get the volume which will permit you to make a profit even at a lower rate.

Mr. HUNGERFORD: Of course we have the problem of a relatively thin population over large areas of this country, and there is not a great deal of passenger traffic to be obtained anyhow in many sections.

Mr. HOWDEN: There has never been any profit in the passenger business?

Mr. HUNGERFORD: Taken as a whole, no.

Mr. DEACHMAN: Either in Canada or the United States?

Mr. HUNGERFORD: There has been some on certain roads.

Mr. DEACHMAN: I think the Coolidge report said that the passenger traffic in the United States had never been profitable, taking the roads as a whole.

Mr. HUNGERFORD: If you look at it from the standpoint of charging a proportion of the cost of the provision of the roadway and its maintenance, which you would have to have anyway if you were going to carry on the freight business, then the passenger business is unprofitable; but if you disregard that the picture is altered materially. If you regard it as a by-product, there is something in it.

Mr. DEACHMAN: As a matter of fact you cannot determine the cost of carrying passengers on a railroad?

Mr. HUNGERFORD: No; you have to assume certain arbitraries in order to do so.