

ANALYSIS OF C.P.R. ESTIMATE OF SAVINGS UNDER UNIFICATION—*Concluded*

To show how much would be possible under earnest co-operation, assuming for sake of argument that the physical things contemplated in the estimate are in fact feasible

	C.P.R. \$75,000,000 estimate as submitted to Royal Commission	Notes as to Co-operation
(10) Telegraphs (railway and commercial)	948,000	Just as feasible under co-operation as under unification or amalgamation.
(11) Express operations	1,450,000	Just as feasible under co-operation as under unification or amalgamation.
(12) Colonization, development and insurance	300,000	Just as feasible under co-operation as under unification or amalgamation.
(13) Interest on released stores and track material	1,700,000	This item is dependent on the physical abandonments and is just as feasible under co-operation as under unification or amalgamation.
(14) Interest on reduction in investment in equipment	4,650,000	This item is dependent on the physical abandonments and is just as feasible under co-operation as under unification or amalgamation.

Total of items 7 to 14 as claimed by C.P.R. \$11,105,000

All of these items if feasible under unification are just as much so under co-operation.

Recapitulation	C.P.R. estimate under unification	
Items 1 to 6, for which no details are given	\$64,268,000	
Deduct imaginary savings due to use of C.P.R. unit costs erroneously applied to C.N.R. conditions	20,000,000	
Economies estimated from physical changes, abandonments, etc.	44,268,000	\$41,768,000
Items 7 to 14	11,105,000	11,105,000
Total apart from imaginary savings due to the use of C.P.R. unit costs erroneously applied to C.N.R. conditions	\$55,373,000	\$52,873,000

Estimate of how much of the C.P.R. programme would be possible under co-operation, assuming for the sake of argument that the physical things contemplated in the C.P.R. estimate are in fact feasible.

The fourteen items which are listed in the analysis are shown on page 416 of the evidence, being the first part of exhibit No. 49. When the statement is made in the analysis that with regard to the first six items no details are shown for any item except that of line abandonments, which was given to the royal commission as \$16,366,000, what is meant is that the supporting exhibits do not specifically disclose what services are affected and what abandonments and consolidations are contemplated. The details of line abandonments are to be found in exhibit No. 50, pages 427 to 432, inclusive, that is, as to what lines are named for abandonment, but without a statement of the saving. The \$16,366,000 comes from the evidence before the royal commis-

sion, which will be found on page 582 of the Senate committee evidence. There are voluminous statistical computations of the total of \$64,268,000, which is shown in exhibit H, page 422, and the figures are dealt with under the headings of "Maintenance of Way and Structures," "Maintenance of Equipment," "Traffic," "Transportation," "General" and "All Other"; but it is impossible on the basis of the evidence to tell how much of the \$64,268,000 is traceable to each of the first six items listed in exhibit 49 and which form the first six items of the analysis, except the figure which the Canadian Pacific gave to the royal commission as to line abandonments.

The result of that study is that, whereas the economies estimated to result from physical changes, etc., amount to \$55,373,000, the extent