

that interests me somewhat, it being an observation of a representative of Canadian National Railways:

I am advised that it is our experience that it is indeed an exceptional case when it is not possible to offer some kind of reserved accommodation to to all who apply for it. Admittedly there are instances when we cannot give exactly what is asked for, but invariably we are in a position to offer reasonable alternatives which are accepted in most cases.

I am beginning to wonder whether I worked for Canadian National Railways last summer in view of their assertion that invariably they were in a position to offer reasonable alternatives. I do not think a reasonable alternative to a good coach seat is a seat on the bench in a cafeteria car or in a lounge car or perhaps even in a baggage car. It seems to me that the C.N.R. are certainly not going out of their way to hurt the C.P.R. with regard to this particular matter.

Also, Mr. Chairman, in the transcript of the evidence presented by the C.P.R. the fact is mentioned that previously they handled express and mail cars on the "Dominion" but these express and mail cars have been transferred to freight trains. I should like to give the committee a little indication of what this could mean. They say this traffic can be handled on the freight trains, that it means a little added expense so far as the freight trains are concerned but does not constitute a matter worth mentioning. However, if their express and mail business is what it could be or what they are trying to make it, I would say that if they are going to handle this traffic efficiently they will have to put on extra trains.

This is very profitable traffic, and in fact Canadian National Railways operate express freight trains Nos. 103 and 104. These handle express and mail; they do not carry passengers except incidentally. They do not have passenger equipment. However, here again I would argue that Canadian National Railways should provide decent equipment on these trains because they are definitely paying for themselves in respect of mail and express. If they can provide an additional service to the public by putting on extra cars, I think this should be done.

However, the fact that they operate this train and are leaving it in operation seems to imply that the business is profitable and it could be used to help meet the over-all operating cost of a train which also included passenger service. I have a strong feeling that

Supply—Transport

the effect of the reduction of Canadian Pacific Railway's passenger service on their main line is going to have a very detrimental effect on the publicly owned C.N.R. After all, Canadian National Railways belongs to the people. This effect would apply particularly if it develops that passenger business is unprofitable on the whole, because I can see the great possibility that Canadian National will become loaded down with passenger business.

In my opinion Canadian National will not be able to slip out from under the passenger business in the way Canadian Pacific has and as a result Canadian National will have to give up a good deal of its lucrative freight business in order to handle the passenger traffic. I believe this is a very realistic approach to the situation and I do not think even the management of Canadian National would give me an argument on this proposition. I am quite sure that some of the minor officials are concerned about this problem at the present time.

In that event we will be faced with bad publicity so far as Canadian National Railways are concerned, namely, that passenger traffic is not a paying proposition and all the rest of it. But is this being fair to Canadian National? I shall not try to defend Canadian National even though I was an employee of that company. I would have to say that many of their policies do not make good economic sense in my opinion and I have questioned them on numerous occasions. I am not entirely happy with many of their policies. But I still have a certain loyalty to Canadian National and I think it will be placing an unfair burden on them if Canadian Pacific more or less slough off the passenger business to Canadian National.

I wish to refer to another question that I think is very important in respect of railway transportation. I refer to labour peace. I do not think I need go too fully into what transpired prior to the Freedman Commission being set up, but I would say briefly that due to the unilateral institution of certain runs or attempts unilaterally to impose certain runs on Canadian National employees, which runs were not accepted, and also because of the very poor employer-employee relationship in Canadian National at that particular time, there was a "book sick" withdrawal from service. As hon. members probably recall, Canadian National Railways were tied up for a number of hours because of this situation. As a result of the "book sick" procedure the