to get into a technical discussion of this unless the committee want to hear it-

Several MEMBERS: Go ahead.

Sir HENRY THORNTON: The great difficulty is with the transmission. No one has yet solved the problem of satisfactory direct transmission, although this last locomotive which has been built in Germany offers some promise toward the solution of that problem. Consequently, we are obliged to employ in the Diesel electric locomotive, electrical transmission. That is the trouble with the Diesel electric locomotives to-day, but some time-perhaps within the next two years—some one will solve that problem, but that is the difficulty with the Diesel electric locomotive as applied to large units. Our experts have examined both of these locomotives. The one in Russia is faulty because it cannot be run faster than 30 miles an hour without overheating. There is something radically wrong with the cooling apparatus. I think that the Diesel electric locomotive is ultimately going to have a considerable effect on transportation. We ran one of our small units from Montreal to Vancouver without stopping the engine. The result was highly satisfactory; it made better time than our through continental trains. Some day somebody will develop a big unit which may perhaps have a large effect on transportation, but it is all yet in the experimental stage. The engineers of all railroads all over the world are working on it and studying it.

Mr. JELLIFF: How expensive was that trip as compared with a steam trip?

Sir HENRY THORNTON: If you could get a large Diesel locomotive built at a price which would not exceed two or three times the cost of the steam locomotive, it would undoubtedly be profitable. In the first place, there is no engine house attention; for instance, if we had a large Diesel unit we could start a train at Montreal, hauled by such an engine, and run it directly through to Vancouver, just changing crews when necessary. You do not have to put it on the ashpit; there is no coal; fuel oil is much cheaper than coal; no engine house or ashpit attention at all, and you get a better mileage out of it. Theoretically, it is a much more economical unit than the steam unit.

Mr. JELLIFF: Can you carry fuel enough to make a trip like that?

Sir HENRY THORNTON: No; you would have to stop at appropriate points to put in more oil, but that is only a matter of ten or fifteen minutes.

The CHAIRMAN: Item 103 "Excess Baggage "-\$242,890.44 as compared with \$238,443.05—a gain of \$4,000 roughly.

Sir HENRY THORNTON: That is a small percentage, probably resulting from increased traffic.

Mr. CANTLEY: I assume that passenger rates are considerably higher now than they were before the war; apparently they are not high enough yet.

Sir HENRY THORNTON: I should not dispute that.

Mr. CANTLEY: Seriously speaking, the rates are higher than they were before the war?

Sir HENRY THORNTON: Yes.

Mr. CANTLEY: And you still have a deficit of about \$6,000,000?

Sir HENRY THORNTON: That is right.

Mr. CANTLEY: So there is no likelihood of much reduction?

Sir HENRY THORNTON: Quite irrespective of what we would like to charge for passengers, there is a limit beyond which one cannot go.

Mr. CANTLEY: There is not much likelihood of a reduction in passenger rates—in view of these figures?

Sir HENRY THORNTON: I should hope not.