

In addition the Commissioners' views on railway ownership of truck lines were set forth in these terms:

It would seem that operation of trucks may be an essential and complementary part of railway operation, more especially in view of changing conditions. Under these circumstances it does not appear reasonable that railways should be prohibited from operating trucks or truck lines. There is no evidence to show that there is danger at present of the railways stifling competition by ownership of trucks. This would be a matter to be dealt with if and when the occasion arises.

These observations lend objective support to the policy of the Canadian National as enunciated in the preceding section.

Recapitalization

31. The Canadian National has never failed to meet operating expenses, but except for the years 1926, 1928, and 1941-45 has been unable to meet the heavy fixed interest charges with which the System has been faced since its inception in 1923. The Royal Commission, having studied the evidence presented in public hearings, reported:

"The Canadian National Railways has established a case for reduction of its fixed charges and for the desirability of the Company being able to accumulate out of earnings a reserve or 'something to come and go on'."

32. It is expected that the measure of relief recommended by the Commission will be made available to the Railway in 1952.

CO-OPERATION UNDER THE CANADIAN NATIONAL-CANADIAN PACIFIC ACT, 1933

33. Under an amendment enacted in 1951 to the Canadian National-Canadian Pacific Act, the Canadian National is required to report annually on co-operative activity.

34. Joint study is being given to the extension of passenger train pooling and to the abandonment of functionally duplicate rail lines between the following points:

	<i>Distance</i>
Middleton-Bridgetown, Nova Scotia	13.2 Miles
Louise-Deloraine, Manitoba	56.3 Miles
Hallboro-Beulah, Manitoba	75.2 Miles
Reston, Manitoba-Wolseley, Sask.	122.4 Miles
Langdon-Beiseker, Alberta	32.6 Miles
Forth-Ullin, Alberta	71.2 Miles

35. Co-operative projects in effect during 1951 were estimated to produce an annual joint economy, under the economic and traffic conditions at the time the measures were instituted, of \$1,189,240 per year. It has not proved possible to estimate the annual value, at the time of this Report, of those continuing co-operative measures. In future Reports this information will be supplied. It is reasonable to anticipate that the current joint economy will be in excess of the figures shown. In addition to those projects where a definite economy could be estimated, there are other forms of co-operative action in effect which are productive of substantial but indefinite benefits.

36. The Canadian National-Canadian Pacific Act extends beyond normal business relations and imports into an agreement the element of national interest giving sanction to action which would otherwise be unlawful. In addition to co-operation under the provisions of the Canadian National-Canadian Pacific Act, there has been and continues to be a great deal of co-operation