

Hon. Mr. DANDURAND: I passed this document over to my right honourable friend so that he might follow and might be able, when he speaks, to give his opinion as to the figures, which are based on the documents which were produced before us. My right

honourable friend will find that the fourteen items listed in this analysis are shown in the first part of Exhibit No. 49, which is to be found at page 416 of the evidence. If my right honourable friend will turn to that page he will be able to follow item by item. This is the **statement**:

ANALYSIS OF C.P.R. ESTIMATE OF SAVINGS UNDER UNIFICATION

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
(1) Line abandonments.. . . .	5,051 miles	If possible under unification or amalgamation, equally possible under co-operation.
(2) Passenger train miles.. . . .	7,574,454	A pool of competitive passenger services under co-operation would enable as much economy to be obtained as under unification or amalgamation.
Passenger car miles.. . . .	51,793,173	
(3) Freight and mixed train miles..	5,301,323	A pool of competitive freight revenues under co-operation would enable as much to be done as under unification or amalgamation.
Freight car miles.. . . .	67,157,402	
(4) Consolidating stations, yards and terminals.. . . .	96 points	Joint facility arrangements and joint terminals could be arranged under co-operation to achieve the same result.
(5) Consolidating locomotive and car shops.. . . .	10 C.N. 9 C.P.	Quite possible to make a joint arrangement under co-operation whereby each company would close up certain shops and the work be concentrated in the remaining ones.
(6) Consolidating system, regional, district and division supervisory organizations.. . . .	59 C.N. 44 C.P. 3 joint	Not possible under co-operation, but the C.N. has already reduced its supervision costs to the minimum consistent with safety and efficiency. (Estimated effect of this item \$2,500,000.)

Total of Items 1 to 6 as claimed by C.P.R..	\$64,268,000	.Of this amount \$20,000,000 is purely imaginary and arises from using C.P.R. unit costs erroneously for C.N.R. operations.
(No details shown for any item except line abandonments, which was given to the Royal Commission as \$16,363,000.)		
Deduct imaginary amount resulting from use of C.P.R. unit costs as applied to C.N. conditions.. . .	20,000,000	
Amount in estimate traceable to physical changes under unification or amalgamation.. . . .	\$44,268,000	
Deduct items not physically possible under co-operation.. . . .	2,500,000	
Physical items, which, if possible at all, are equally so under co-operation.. . . .	\$41,768,000	
Deducting the last two items from the figure of \$44,268,000, the difference left is		
\$2,500,000.		

(7) Increased railway revenues to be obtained by securing longer haul on international, interstate and Great Lakes traffic, less loss on abandoned lines.. . . .	\$ 1,396,000	Just as feasible to obtain by agreement under co-operation as under unification or amalgamation.
(8) Miscellaneous income items ..	211,000	A negligible item.
(9) B.C. coast steamships.. . . .	450,000	If feasible under unification or amalgamation, just as feasible under co-operation, especially if there is a pooling arrangement for traffic.

Hon. Mr. DANDURAND.