

Supply—Transport

considerable loss in over-all revenue if they were to reinstitute this service during the peak holiday period from the end of June to Labour Day. It is my impression that the Canadian Pacific is attempting to get out of passenger service completely. If this argument can be successfully applied to the "Dominion" service, that it is not profitable during peak operation periods, it can be applied in respect of the "Canadian" operation. If the Board of Transport Commissioners takes the same view in respect of the "Canadian" as it has in respect of the "Dominion", I am sure the C.P.R. will be successful in getting out of the passenger business.

As an example of the railway company's attempt to get out of the passenger business, let me point out the comparative cost of travel on the two lines. The coach class fare from Ottawa to Sudbury on the C.P.R. is \$16.35. The coach class fare from Ottawa to Sudbury on the C.N.R. on a bargain day is \$7.65. One can travel from Ottawa to Sudbury and return on the C.N.R. at approximately the same cost as a one way trip, coach class, on the C.P.R. Surely that is an indication that the Canadian Pacific is pricing itself out of the business. I think the C.P.R. has a good reason for pricing itself out of the passenger business. By doing so it will be in a position to capture a larger share of the lucrative freight business, and there is no doubt that the freight business is lucrative. Surely that is the reason for this action on the part of the Canadian Pacific. If this action on the part of the Canadian Pacific is allowed to continue the onus will fall on the Canadian National to assume the overload of passenger business.

Let me direct your attention to one submission made by the Canadian Pacific Railway in its attempt to have the "Dominion" service discontinued. They assessed the road maintenance costs in relation to the operations of the "Dominion" alone at \$1,932,657. That figure may be correct as it relates to the company's cost accounting system but it is not a logical figure giving a true picture of road maintenance costs. The company has merely allocated a percentage of the total road maintenance costs to the operation of the "Dominion". To make my point a little clearer, let me say that if the Canadian Pacific is an efficiently run railway, and I am sure it is, it has a program of railroad tie replacement carried on year after year irrespective of whether or not the "Dominion" is

in operation. If the "Dominion" is discontinued the tie replacement program will still go on. I am sure the transposing of rails on curves will continue whether or not the "Dominion" is continued.

● (1:20 p.m.)

There is snow removal in the wintertime. The cost of this will be exactly the same; there will be no reduction because the "Dominion" has been discontinued. The program of track lifting and ballasting will be exactly the same; the cancellation of the "Dominion" will have no effect on that whatsoever. How they can assess this amount of money for road maintenance against the "Dominion" is beyond my comprehension, if we are to be realistic and logical. Obviously there would be no reduction in staff so far as section crews or extra gangs are concerned.

At this point, Mr. Chairman, let me say I am not going to get into any argument or feud with a mechanical brain or an electronic computer because I do not even pretend to be an expert in economics. But if this one item is indicative of the way the railway assesses costs against the "Dominion", I would have to question the whole list of items because to my mind they are very unrealistic to say the least.

To return to the question of handling traffic in general if the "Dominion" is not reinstated this summer, I notice that in the second judgment handed down by the Board of Transport Commissioners they indicated that buses and the Canadian National Railways can take care of the situation. I am not going to argue the point so far as buses are concerned but I know there are a great many people who do not like travelling on a bus. They would much rather travel on a train. However, Mr. Chairman, this is beside the point because I cannot understand how it is thought that during the peak periods Canadian National can handle this overload of traffic. I happened to be the conductor on one of the C.N.R. transcontinental trains last summer west of Capreol and I have to say that the normal traffic was not handled efficiently. It was a case of there being an overload trip after trip after trip. How they can take on any additional traffic is far beyond my comprehension.

I think Canadian National have been trying to give Canadian Pacific a little help because I notice that in the questionnaire requesting particulars of unfilled reservations in respect of Canadian National there is a statement

[Mr. Fawcett.]