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It is the purpose of this interim report to record the traffic and revenue increases resulting from these new operations, and to compare the indicated financial betterment with the estimates presented in the original application studies.

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COMPARISON OF RDC EQUIPMENT TORONTO-LONDON
TRAINS 629-630-631

Summary of Three Weeks Operation

Estimated Saving in Direct Operating Expense over Steam Train (Table 1)	\$5,189
Increase in Passenger Revenue	<u>1,892</u>
Estimated Financial Gain	<u>\$8,201</u>

SECTION ONE

TORONTO-LONDON-DETROIT

The first three weeks of operation were used as a basis for calculating the financial improvement between Toronto and London, because after that the service was extended to Detroit. This extension even further increased the revenue patronage over the Toronto-London section through the acquisition of new longer-haul passengers.

The impressive growth of total business, resulting from inauguration of through Toronto-Detroit service on November 30, 1953, is illustrated on the following page.

SECTION ONE

TORONTO-LONDON-DETROIT

SUBSTITUTION OF RDC EQUIPMENT TORONTO-LONDON
TRAINS 629-630-631

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Increase in Passenger Revenue	<u>3,092</u>
Estimated Financial Gain	<u>\$8,281</u>

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The impressive growth of total business, resulting from inauguration of through Toronto-Detroit service on November 30, 1953, is illustrated on the following page.

Summary of Three Weeks Operation

\$2,189	Estimated Saving in Direct Operating Expenses over Steam Train (Table I)
<u>3,092</u>	Increase in Passenger Revenue
<u>\$8,281</u>	Estimated Financial Gain

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The impressive growth of total business, resulting from inauguration of through Toronto-Detroit service on November 30, 1953, is illustrated on the following page.

TORONTO-LONDON-DETROIT THROUGH RDC OPERATION

Analysis of Period Nov. 30 - Dec. 12, 1953
Compared to 1952

TORONTO-LONDON SECTION

	<u>1953 Dayliner</u>	<u>1952 Steam</u>
No. of Passengers	2,085	1,541
Passenger Revenue	\$5,229	\$3,863
Direct Operating Expenses including Interest and Depreciation for Two Units (Table 2)	<u>3,809</u>	<u>7,268</u>
Contribution	\$1,420	\$3,405
Improvement		\$4,825

LONDON-DETROIT SECTION

	<u>1953 Dayliner</u>	<u>1952 No Train</u>
No. of Passengers	1,478	N11
Passenger Revenue	\$7,862	N11
Direct Operating Expenses (Table 2)	<u>2,968</u>	<u>N11</u>
Contribution	\$4,894	N11
Improvement		<u>\$4,894</u>
Total Improvement including Revenue Gain		<u>\$9,719</u>
Average per week		\$ 4,860
Weekly average projected over year (52 weeks)		\$252,720
Annual return on capital investment of \$437,825 (after interest and depreciation at 6½%)		58%

TORONTO-LONDON-DETROIT THROUGH RND OPERATION

Analysis of Period Nov. 30 - Dec. 15, 1953
Compared to 1952

TORONTO-LONDON SECTION

	<u>1953 Dayliner</u>	<u>1952 Steam</u>
No. of Passengers	2,085	1,541
Passenger Revenue	\$2,229	\$3,863
Direct Operating Expenses including Interest and Depreciation for Two Units (Table 2)	3,809	7,268
Contribution	\$1,420	\$3,405
Improvement	\$4,825	

LONDON-DETROIT SECTION

	<u>1953 Dayliner</u>	<u>1952 No Train</u>
No. of Passengers	1,478	N/A
Passenger Revenue	\$7,862	N/A
Direct Operating Expenses (Table 2)	2,068	N/A
Contribution	\$4,894	N/A
Improvement	\$4,894	

Annual return on capital investment of \$437,825 (after interest and depreciation at 6%)

Weekly average projected over year (52 weeks) \$252,750

Average per week \$4,860

Total Improvement including Revenue Gain \$2,979

INTERIM REPORT OF RDC OPERATIONS
TORONTO-LONDON-DETROIT
NORTH BAY-ANGLIERS
MONTREAL-MONT LAURIER

Department of Research
January 15, 1954
Report S54-54.

The period of RDC operation reviewed in this report occurred in a normally stable traffic period. In addition, abnormally warm and unseasonable weather prevailed throughout the period and beyond it, removing any possibility of winter driving conditions as a factor in the substantially increased carryings secured with the RDC units and new service. So far as can be determined, the gains represent new business diverted from other transport, principally highway.

The carryings and earnings of this RDC operation beyond December 12th were not utilized, although the growth trend continued, in the preparation of this Interim Report, to avoid inclusion of holiday travel in the latter part of December. While abnormal travel peaks can be isolated and removed from an analysis, it was considered conservative to terminate the period of review far in advance of the holiday to escape its influence on traffic volume.

Substantially higher averages had been attained by early January 1954, not including peak holiday trips, but only the results achieved by December 12th were projected to determine an estimated annual return on investment of 58%

The period of RDC operation reviewed in this report occurred in a normally stable traffic period. In addition, abnormally warm and unseasonable weather prevailed throughout the period and beyond it, removing any possibility of winter driving conditions as a factor in the substantially increased earnings secured with the RDC units and new services. So far as can be determined, the gains represent new business diverted from other transport, principally highway.

The earnings and savings of this RDC operation beyond December 15th were not utilized, although the growth trend continued, in the preparation of this Interim Report, to avoid inclusion of holiday travel in the latter part of December. While abnormal travel peaks can be isolated and removed from an analysis, it was considered conservative to terminate the period of review far in advance of the holiday to escape its influence on traffic volume.

Substantially higher averages had been attained by early January 1954, not including peak holiday trips, but only the results achieved by December 15th were projected to determine an estimated annual return on investment of 58%.



The substitution of an RDC unit for the older train between Mattawa and Angliers, with a simultaneous extension of service into North Bay, eliminated the necessity for special maintenance men and facilities at Mattawa. The extension also permitted an expedited Express service to points on the Tisdaling Subdivision, through a combination of interlocking circumstances.

Toronto is a major originating center for express shipments to points between Mattawa and Angliers. Formerly express to these points either moved by rail to Sudbury, and trans-shipment to Ottawa, and trans-shipment to the branch; or by rail from Toronto to Parry Sound, truck to North Bay, rail to Mattawa and finally trans-shipment to the branch. At best, only second-day delivery could be made on SECTION TWO Tisdaling Subdivision.

By originating the RDC run in North Bay, express ex Toronto is now being moved by truck to North Bay, and by RDC the following morning to all stations on the branch. This new "first-morning" delivery constitutes the improvement in express service.

While a substantial increase in passenger carryings also occurred with RDC operation, the short-haul nature of the traffic and the population of the route limit the amount of new revenue which can be obtained.

However, the impressive scope of accomplishment on this route has been the ability of the RDC to reduce operating expenses by more than 50% while at the same time opening a new extension to North Bay, to better the schedule and attract additional revenue, and to return an estimated 41.5% on the investment.

SECTION TWO

NORTH BAY-MATTAWA-ANGLIERS

The substitution of an RDC unit for the steam train between Mattawa and Angliers, with a simultaneous extension of service into North Bay, eliminated the necessity for special maintenance men and facilities at Mattawa. The extension also permitted an expedited Express service to points on the Timiskaming Subdivision, through a combination of interlocking circumstances.

Toronto is a major originating center for express shipments to points between Mattawa and Angliers. Formerly express to those points either moved by rail to Sudbury, and trans-shipment to Mattawa, and trans-shipment to the branch, or by rail from Toronto to Parry Sound, truck to North Bay, rail to Mattawa and finally trans-shipment to the branch. At best, only second-day delivery could be made on the Timiskaming Subdivision.

By originating the RDC run in North Bay, express ex Toronto in the evening moves by rail to Parry Sound, then by truck to North Bay, and by RDC the following morning to all stations on the branch. This new "first-morning" delivery constitutes the improvement in express service.

While a substantial increase in passenger carryings also occurred with RDC operation, the short-haul nature of the traffic and thin population of the route limit the amount of new revenue which can be obtained.

However, the impressive scope of accomplishment on this route has been the ability of the RDC to reduce operating expenses by more than 40% while at the same time opening a new extension to North Bay, to better the schedule and attract additional revenue, and to return an estimated 41.5% on the investment.

The substitution of an RDC unit for the steam locomotive

Mattawa and Angliers, with a simultaneous extension of service into North Bay, eliminated the necessity for special maintenance men and facilities at Mattawa. The extension also permitted an expedited Express service to points on the Timiskaming Subdivision through a combination of interlocking circumstances.

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By originating the RDC run in North Bay, express ex Toronto in the evening moves by rail to Parry Sound, then by truck to North Bay, and by RDC the following morning to all stations on the branch. This new "first-morning" delivery constitutes the improvement in express service.

While a substantial increase in passenger carriages also occurred with RDC operation, the short-haul nature of the traffic and this population of the route limit the amount of new revenue which can be obtained.

However, the impressive scope of accomplishment on this route has been the ability of the RDC to reduce operating expenses by more than 40% while at the same time opening a new extension to North Bay, to better the schedule and attract additional revenue, and to return an estimated 1.2% on the investment.

NORTH BAY-MATTAWA-ANGLIERS

Analysis of One Month Period
Nov. 9 - Dec. 5, 1953

	<u>1953 Dayliner</u>	<u>1952 Steam</u>
No. of Passengers	2,302	1,206
Operating Revenue	\$14,524	\$11,504
Direct Operating Expenses (Including depreciation and interest at $6\frac{1}{2}\%$)(Table 3)	<u>6,479</u>	<u>10,895</u>
Contribution	\$ 8,045	\$ 609
Net Betterment One Month	\$ 7,436	
Projected over Year	\$89,200	
Annual Return on Capital Investment of \$215,000 after Interest and Depreciation at $6\frac{1}{2}\%$	41.5%	

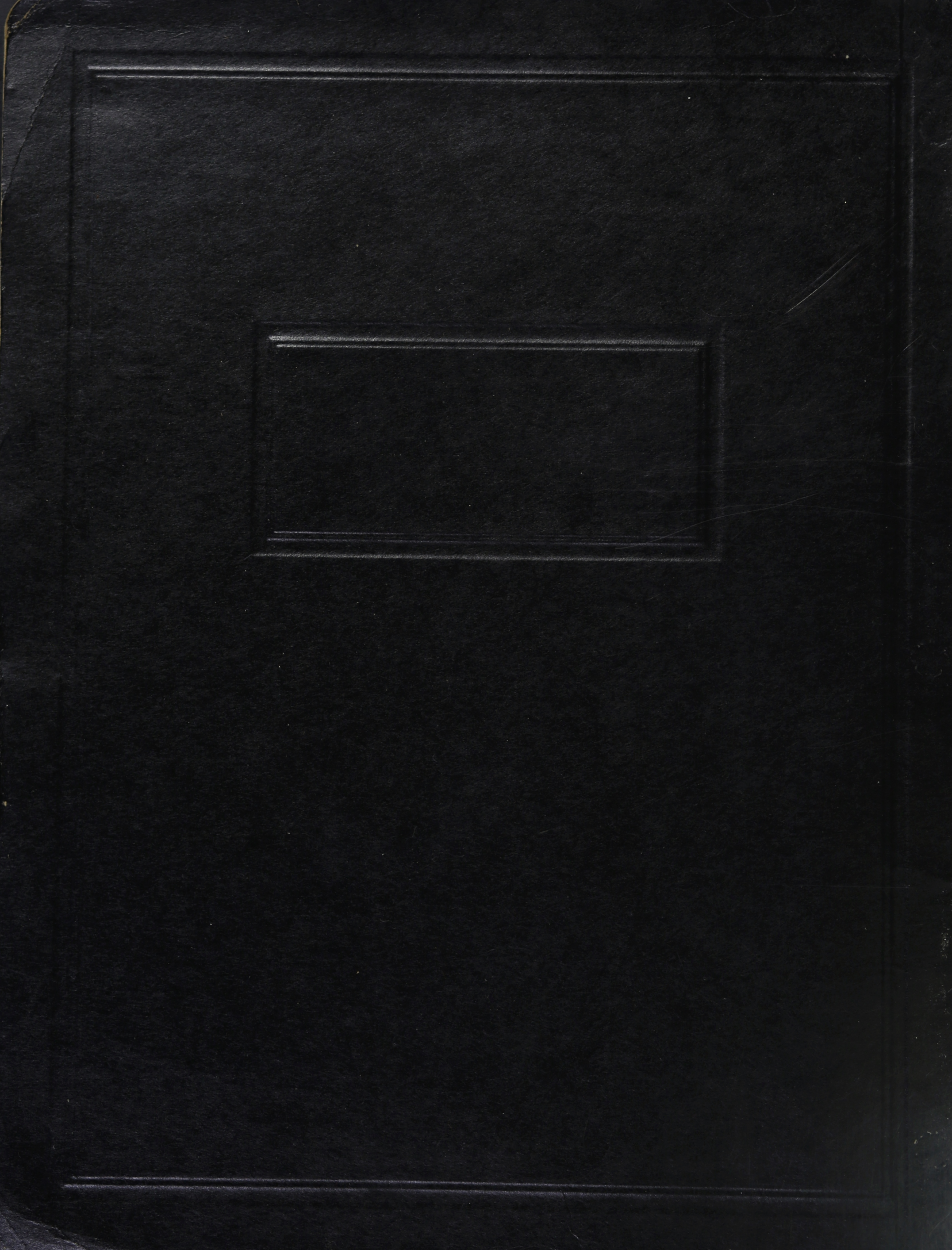
In reviewing the foregoing financial improvement, it should be considered that the RDC unit operates through from North Bay to Angliers, which constitutes approximately 90 additional miles per day over the previous Mattawa-Angliers steam train operation.

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<u>1953 Dayliner</u>	<u>1952 Steam</u>
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Operating Revenue	\$14,524
Direct Operating Expenses (Including depreciation and interest at 6%) (Table 3)	6,479
Contribution	\$ 8,045
Net Betterment One Month	\$ 7,436
Projected over Year	\$82,200
Annual Return on Capital Investment of \$215,000 after interest and depreciation at 6%	41.3%

In reviewing the foregoing financial improvement, it should be considered that the RDC unit operates through from North Bay to Angliers, which constitutes approximately 90 additional miles per day over the previous Mattawa-Angliers steam train operation.





The 1953 service between Montreal and Mont Laurier was inaugurated on November 9th and was made possible by early delivery of the necessary equipment. The successful trial operation conducted in February 1953. At that time the route was shown to be suitable for operating tests, as it afforded good weather conditions, grades, curves, and a number of other factors which are essential for satisfactory performance. The schedule is the same as in the past, and is in reverse to the flow of normal traffic, thereby constituting an experiment in the generation of new business and resort travel to and from the Laurentian area.

SECTION THREE

MONTREAL-MONT LAURIER

Inauguration of the service on November 9th was made possible by early delivery of the necessary equipment. The successful trial operation conducted in February 1953. At that time the route was shown to be suitable for operating tests, as it afforded good weather conditions, grades, curves, and a number of other factors which are essential for satisfactory performance. The schedule is the same as in the past, and is in reverse to the flow of normal traffic, thereby constituting an experiment in the generation of new business and resort travel to and from the Laurentian area.

In December the carryings increased rapidly and, as had been experienced in February, on some trips exceeded the capacity of the car. Excluding the peaks immediately surrounding the Christmas holidays, the average carryings were sustained at higher levels through December and still higher until the time of writing this report in mid-January 1954.

Month	Average
November	60.6
December	107.5
January	128.1

SECTION THREE

MONTREAL-MONT LAURIER

The RDC service between Montreal and Mont Laurier constituted resumption of the successful RDC trial operation conducted in February 1953. At that time the route was chosen for purposes of operating tests, as it afforded cold weather and snow conditions, grades, curves, and a somewhat grueling 330-mile daily performance. The schedule, northbound in the morning and southbound in the evening, was and is in reverse to the flow of commuter traffic, thereby constituting an experiment in the generation of new business and resort travel to and from the Laurentian area.

Inauguration of the service on November 9th was made possible by early delivery of the car, but occurred in a low traffic period for that route. This was further affected by abnormally warm weather during November, which eliminated any winter sport travel to the Laurentians. As a result, the carryings during November did not approach those experienced during the trials last February and consisted principally of salesmen and residents along the line.

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<u>Month</u>	<u>Daily Average</u>
November	60.6
December	103.5
January	164.4

The RDC service between Montreal and Mont Laurier consti-

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higher levels through December and still higher until the time
of writing this report in mid-January 1954.

<u>Month</u>	<u>Daily Average</u>
November	60.6
December	103.5
January	141.4



RDC Operation Montreal-Mont Laurier

Summary of Period Nov. 9 - Jan. 9

Estimated Passenger Revenue	\$ 18,370
Estimated Direct Operating Expenses Including Interest & Depreciation (Table 4)	
62 Trips @ \$258.78	16,044
Contribution	\$ 2,326

In reviewing the above record, the November and early December period of light carryings should be considered. The January daily average carryings indicate a net contribution per roundtrip, after direct expenses including Interest and Depreciation, of approximately \$167, or \$5177 per month. It is also considered that the increase in daily averages, which is currently 173% above the November average, will continue.

Although not considered in the economics, the operation of this additional Montreal-Mont Laurier schedule permitted crew adjustments on the route which effected a monthly saving in wage premiums of approximately \$500.

In view of the foregoing, it is considered that this operation is producing a desirable net contribution through the generation of new business.

CANADIAN PACIFIC RAILWAY COMPANY

M O N T R E A L

INTERIM REPORT OF RDC OPERATIONS

TORONTO-LONDON-DETROIT

NORTH BAY-ANGLIERS

MONTREAL-MONT LAURIER

A review of traffic, operating and
financial betterment achieved,
related where applicable to previous
application studies prepared by the
Department of Research

Department of Research,
January 15, 1954,
Report S54-54.

Table 1

Substitution of RDC Equipment Toronto-London
Trains 629-630-631

Estimated direct operating costs for three weeks
operation

	<u>RDC Dayliner</u>	<u>Steam Train Operation</u>
Wages of trainmen and enginemen	\$1,392	\$ 1,980
Repairs	1,650	3,297
Fuel	468	2,520
Enginehouse expenses, water, lubs, other supplies, train supplies and expenses	234	1,473
Joint Facility Expense	162	435
Interest and Depreciation	1,807	981
Yard Switching	-	216
	<u>\$5,713</u>	<u>\$10,902</u>

Saving in direct operating costs with RDC \$5,189

Table 2

TORONTO-LONDON-DETROIT THROUGH RDC OPERATION
COMPARISON OF DIRECT OPERATING COSTS DAYLINER UNIT AND
STEAM EQUIPMENT PERIOD NOV. 30-DEC. 12, 1953 VERSUS 1952

TORONTO-LONDON SECTION

	<u>1953 Dayliner</u>	<u>1952 Steam</u>
Wages Trainmen and Enginemen	\$ 928	\$1,320
Repairs	1,100	2,198
Fuel	312	1,680
Enginehouse Expenses, Water, Lubs, and Other Supplies, Train Supplies and Expenses	156	982
Yard Switching	-	144
Joint Facility Expense	108	290
Interest and Depreciation	<u>1,205</u>	<u>654</u>
	\$3,809	\$7,268

LONDON-DETROIT SECTION

Direct Operating Costs as per District Accountant	\$2,968*	-
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*Full interest and depreciation charges are included in the Toronto-London section.

Table 3

Estimated Direct Costs of Operating Dayliner North Bay-
Mattawa-Angliers from Nov. 9 to Dec. 5, 1953 Compared
with Steam Equipment for the Similar Period in 1952

	<u>1953 Dayliner</u>	<u>1952 Steam</u>
Enginemen's Wages	\$1,235	\$ 1,914
Trainmen's Wages	1,618	1,796
Fuel	469	1,744
Repairs	1,559	3,210
Engine Watchman	-	250
Enginehouse Expense, Water, Lubs, Other Supplies, Train Supplies & Expenses	429	1,324
Interest and Depreciation	<u>1,169</u>	<u>657</u>
	<u>\$6,479</u>	<u>\$10,895</u>

Table 4

COST OF OPERATION FOR ONE ROUND TRIP BETWEEN
MONTREAL AND MONT LAURIER

Direct Operating Expenses

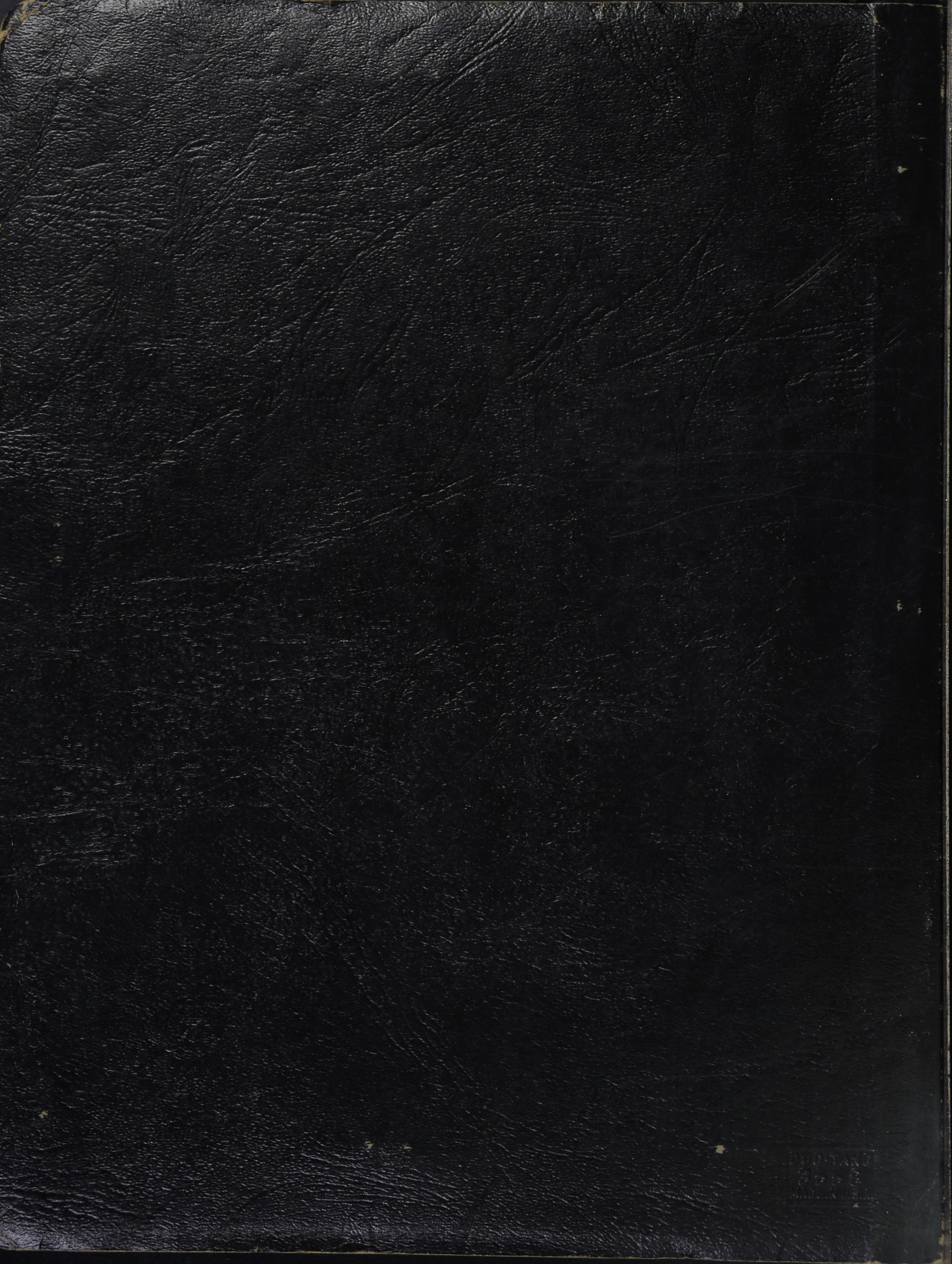
Crew wages, including vacation and pension	\$103.72
Fuel at 16.37 cents per gallon	18.76
Repairs, estimated at 20 cents per mile	65.60
Lubricants and other supplies	1.89
Cleaning car	20.10
Interest and depreciation on capital of \$215,000	<u>48.71</u>
	<u>\$258.78</u>

Table 4

COST OF OPERATION FOR ONE ROUND TRIP BETWEEN
MONTREAL AND MONT LAUREL

Direct Operating Expenses

\$103.75	Crew wages, including vacation and pension
18.76	Fuel at 16.37 cents per gallon
65.60	Repairs, estimated at 20 cents per mile
1.82	Lubricants and other supplies
20.10	Cleaning car
48.71	Interest and depreciation on capital of \$215,000
<u>\$258.78</u>	



CANADIAN PACIFIC RAILWAY COMPANY
MONTREAL

INTERIM REPORT OF RDC OPERATIONS
TORONTO-LONDON-DETROIT
NORTH BAY-ANGLIERS
MONTREAL-MONT LAURE

A review of traffic, operating and financial performance achieved, related where applicable to previous application studies prepared by the Department of Research

Department of Research,
January 15, 1954,
Report 854-54.



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INTRODUCTION

The Company purchased four RDC units in October 1953 to cover the following route assignments:

Toronto-London-Detroit

Two units of the RDC-1 (all passenger) model to replace steam train operation of Trains 629 and 630 between Toronto and London, and to create a new extension of this service beyond London to Detroit. The substitution contemplated a 2-unit train between Toronto and London, and single car operation between London and Detroit.

North Bay-Mattawa-Angliers

A single unit of the RDC-3 (mail-baggage-express-passenger) model to replace steam operation of Trains 49 and 50 between Mattawa and Angliers, and to create a new extension of this service between Mattawa and North Bay.

Montreal-Mont Laurier

A single unit of the RDC-1 (all passenger) model to create a new schedule between Montreal and Mont Laurier supplementing existing trains, and running in reverse to the flow of commuter traffic. This operation constituted resumption of the schedule performed in February 1953 during a one-month trial of RDC equipment.

These four units were utilized for display and public relations purposes in their respective territories prior to commencement of scheduled service on November 9, 1953. All operations were inaugurated on that date except the London-Detroit extension, which commenced service on November 30th.

All the RDC units were named "Dayliner" and are now identified that way in promotional material and public timetables.

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cover the following route assignments:

Toronto-London-Detroit

Two units of the RDC-1 (all passenger) model to replace steam train operation of Trains 629 and 630 between Toronto and London, and to create a new extension of this service beyond London to Detroit. The substitution contemplated a 2-unit train between Toronto and London, and single car operation between London and Detroit.

North Bay-Matthew-Argyle

A single unit of the RDC-3 (mail-passenger-express-passenger) model to replace steam operation of Trains 19 and 20 between Mat-tawa and Argyle, and to create a new extension of this service between Mat-tawa and North Bay.

Montreal-Mont Laurier

A single unit of the RDC-1 (all passenger) model to create a new schedule between Mon-treal and Mont Laurier supplementing existing trains, and running in reverse to the flow of commuter traffic. This operation constituted resumption of the schedule performed in Feb-ruary 1953 during a one-month trial of RDC equipment.

These four units were utilized for display and public rela-tions purposes in their respective territories prior to commencement of scheduled service on November 9, 1953. All operations were inaugurated on that date except the London-Detroit extension, which commenced service on November 30th.

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