

Mr. MACLAREN: I believe a large percentage of it is due to concealed loss; that is shipments made by shippers arriving at the consignees' premises, and found to be short.

Mr. FRASER: Pilfering?

Mr. MACLAREN: Yes.

Mr. HANSON: I have in mind a wreck within the last few months which must have cost the railway \$100,000 in freight damage alone, and the equipment I could not begin to estimate. Those are big losses.

Sir HENRY THORNTON: I think possibly the larger amount is not found in one individual wreck, but through a small amount of claims originating on a number of shipments.

Reference was made to the size of the freight claim, which was about \$800,000, and that you have to compare with the revenue from freight of \$160,000,000 odd. A percentage of loss for freight claims on the Canadian National runs about what it is on other railways.

Mr. HANSON: It is a fortuitous circumstance.

Sir HENRY THORNTON: Sometimes you may have to pay a claim which it would not be good strategy to resist. You have to have some regard for business principles and policy. On the point here, the class 1 railways in the United States paid out, in relationship to their freight earnings, in 1929  $\frac{75}{100}$  of 1 per cent of their earnings. The Canadian National railways paid out  $\frac{58}{100}$  of 1 per cent. Our figure for 1930 was  $\frac{53}{100}$  of 1 per cent. So that our record is better than that of the Class 1 railways in the United States.

Mr. HEAPS: I would like to raise a certain question at another meeting, out of a question raised here to-day, as to the comparative quantity of grain shipped from Canadian and United States ports. From Canada it was much greater than I thought it was. I am wondering whether the management of the Canadian National Railways or the Committee here could find a little time for considering ways and means of equalizing the shipments between Canadian and American ports.

Sir HENRY THORNTON: I can say that if anyone can show us any way, by any co-operative movement, to retain a larger quantity of this traffic on our lines we will do so. It is a desirable thing to do, as it means more money; but we have found that the routing of grain and the ports through which it moves is entirely determined by the shippers themselves.

If we can find any way to improve our position in that respect and increase the amount of Canadian grain passing through Canadian ports and over Canadian railways, whether it be by the Canadian Pacific Railway or ourselves does not matter, we will be glad to do anything we can to assist in that.

Mr. MCGIBBON: Does it not generally go, like water, by the easiest course?

Sir HENRY THORNTON: The availability of ocean tonnage and the ocean rate usually determine the port to which the grain goes.

Mr. CANTLEY: Is it not a fact that ocean liners out of New York have actually carried grain for nothing, or on occasions have paid a premium to get it?

Mr. BURNAP: They have sometimes taken it for ballast purposes.

Mr. CANTLEY: I have known cases where they have actually paid a premium for the purpose of getting it.

Mr. GEARY: They have come over loaded and have to go back empty, and want ballast.

The Committee adjourned to Thursday, June 18, at 11 o'clock a.m.