

Mr. COOPER: It was a theoretical estimate based on pro-rates and averages and the final result did not mean a thing, and we gave it up.

The CHAIRMAN: Neither the reporter nor myself nor these men down here can hear anything.

Mr. SANDERSON: May I ask this question, Mr. Chairman? Are you losing money on the traffic with the soldiers, carrying them here and there?

Mr. VAUGHAN: On troop trains I do not think we are losing money to-day; I do not believe we are making any money on them, but I do not think we are losing any. Where we get business in volume like that, with heavy trains and all coaches filled, they can be handled to much better advantage than otherwise.

Mr. HAZEN: Do you know for a fact you are losing money on your passenger service?

Mr. VAUGHAN: I could not say that to-day. That would be something that would require very close analysis. It is a very difficult thing, as Mr. Cooper has said, to divide your expenses as between passenger and freight rates—it is almost impossible to do it.

The CHAIRMAN: Is it not a notorious fact that passenger trains have always been looked upon as a kind of liability and loss to the railway?

Mr. VAUGHAN: Generally speaking, yes.

The CHAIRMAN: That has been my impression and information.

Mr. HAZEN: That would be prior to the war.

The CHAIRMAN: Since they have run passenger trains they have always run them at a loss.

Mr. NICHOLSON: Coming back to this question of the division of business. The president stated he did not think the C.N.R. was getting a fair share. How has the picture changed now as compared with a year ago, for example?

Mr. VAUGHAN: I would say about the same.

Mr. NICHOLSON: What seems to be the difficulty? This is a company that should be getting the break rather than the competing line getting the larger percentage. What seems to be the trouble?

Mr. VAUGHAN: These are difficult questions to answer. I think you will have to ask some one here in Ottawa.

Mr. NICHOLSON: It is not because you have not been trying to get it?

Mr. VAUGHAN: That is right.

Mr. HAZEN: Up to the present time have you experienced any increases in passenger traffic due to the restrictions on gasoline?

Mr. VAUGHAN: There has been some increase to that end, a certain increase to date, but there has hardly been sufficient time to judge what is the final result. We do expect to have to handle a lot of additional passenger traffic as the result of the gasoline rationing.

Mr. JACKMAN: I notice there has been a decrease in the requirement for interest on funded debt held by the public and there has been an increase in the interest payment to the government on loans for capital purposes. What rate do you pay the government for the advances that you get from them?

Mr. COOPER: We are paying 3½ per cent.

Mr. JACKMAN: That would about equalize the average rate on the securities the government is holding.

Mr. COOPER: A fraction less than that, a fraction less than the average rate on the repatriated securities.

Mr. JACKMAN: A fraction less than the average rate on the repatriated securities?