

Mr. CHEVRIER: Who determines whether the haul is long or short?

Mr. KNOWLES: No one has ever determined that.

Mr. FISHER: Are the terms long haul and short haul a factor in any of your rates?

Mr. KNOWLES: No; every rate beyond five miles starts to taper off until you get up to 4,500 miles. It depends what province you are in whether you have 100 miles or 1,000 miles. For example, the longest haul in Prince Edward Island would only be 100 or 150 miles and a short haul would be 10, 20 or 30 miles. It has no relationship to Ontario or Quebec, or from the east to the west.

Mr. CHEVRIER: I think the committee would be interested in knowing who is going to get the benefit of this subsidy of 7 per cent; is it going to be the short haul provinces as well as the long haul provinces?

Mr. KNOWLES: Oh, yes.

Mr. CHEVRIER: And how much will the short haul provinces receive as opposed to the long haul provinces?

Mr. KNOWLES: I cannot give it to you by provinces because there are no statistics kept.

Mr. CHEVRIER: Have you a plan?

Mr. KNOWLES: So far as the three regions are concerned, I have given you the information already.

Mr. CHEVRIER: I know, but I am not satisfied that the information is sufficient. I would like to receive it with reference to these blocks, because that breaks down in further detail the effect of the class and commodity rates within these three regions that you mentioned.

Mr. KNOWLES: The Department of Transport handles this matter and they have punched a card for every waybill; so there is 20,000 to 25,000 cards to be run through. The machines would have to be set to trip at each ten miles. I do not think we can trip it at five miles; it is not made that way. However, for every ten miles, I think we can give you a figure of the earnings under this \$3 million to show you at what mileages the money was earned. However, Mr. Scott, who supervises these things, advises me it will take a few days to get the cards set up and the information run off.

Mr. CHEVRIER: Well, could we have it? It does not matter if it is not completed before the committee's sittings are completed. As long as it is made part of the record, I am satisfied. It could be annexed to the evidence.

Mr. FISHER: Is this subsidy application as simple as this: the western region has 56 per cent of the class and commodity traffic at the present time. That is the latest analysis you have. Do I understand that 56 per cent of the class and commodity traffic would get approximately 56 per cent of the subsidy?

Mr. KNOWLES: That is right.

Mr. FISHER: It is as simple as that?

Mr. KNOWLES: It is as simple as that.

Mr. CHEVRIER: It does not work out that way.

Mr. FISHER: Could you go on from there and give us an explanation of how the application is going to be determined?

Mr. KNOWLES: Do you mean how the rates are going to be reduced?

Mr. FISHER: Yes?

Mr. KNOWLES: It is extremely simple. There is a master tariff in effect which sets out columns (a) and (b); the rate is \$1 in column (a) and \$1.17 in column (b). Every tariff subject to the 17 per cent is referenced by a connecting link supplement to that master tariff. All the railways will have to do is