

The WITNESS: This decrease is almost entirely due to readjustment of rates; Sir Henry Drayton stated the case exactly a few moments ago.

By the Chairman:

Q. The next item there, "freight," shows an increase of nearly \$15,000,000. Would you care to make any comment on that, as to the reason for the increase?—A. There was an increase in total freight, I think, of approximately 9,000,000 tons, and that was divided as follows. I am only giving round figures, so they may not exactly check when added up. There was an increase in wheat of substantially 1,000,000 tons; an increase in anthracite coal of 1,000,000 tons; an increase in bituminous coal of 3,150,000 tons; an increase in products of the forest, which is to say lumber and pulpwood, of 2,100,000 tons, and an increase in manufactured articles of 1,100,000 tons. These represent the principal items of increase, and I should say that these increases were partly the result of increased production in Canada. We had an extremely good crop last year, as you are aware, which apparently stimulated a good deal of freight. The increase in coal was due very largely to large shipments, abnormal shipments, early in 1923, as the result of the coal strike; dealers were catching up with their supplies, and I think it is also fair to say a certain proportion was due to increased activity in soliciting, and an increased condition of alertness, not only on the part of our freight solicitors, but on the part of the whole of the men employed in the service of the company. We are endeavouring to not limit the solicitation of freight to the freight department; we are trying to make every man who is in the service of the company a potential freight solicitor, although that may not specifically be his duties, the theory being that if you can bring to bear in the soliciting of freight the concentrated efforts of all your men, you will necessarily get better results than if that activity were limited simply to the traffic department. The rank and file of our men and officers have responded very generously to that request, and we are getting a good deal of business in that way which we perhaps did not get before. A certain amount of it is also due, I think, to improvement in services and a general better feeling on the part of the public of Canada with respect to the services which the company is rendering to the public. All of these things taken into consideration account for this material increase.

Q. I suppose that would apply to passenger traffic also?—A. In the same way, exactly.

By Hon. Mr. Graham:

Q. This is not particularly material, but it is of interest. Our gross earnings are dropping off this year; that is public now. Is that due in measure or altogether to the falling off of business on our American lines, or partly the Canadian lines and partly American? I have two reasons for asking that. One is that the increase in traffic, or the decrease, might be an index to the prosperity of Canada. The other is that if it were in the United States where the decrease has taken place, that might be attributable in a measure at least to the Presidential election, when our friends over the line usually stop everything, and which hampers business. I will be asked the question in the House why our traffic receipts are falling off, and I would like to know.—A. That can be explained in this way. It is partly due—in fact probably largely due to a falling off in business on our American lines. As the Minister has pointed out, this is a Presidential year in the United States, and most manufacturers reduce their activities until they know, or think they can foresee, who their respective candidates will be, what the prospects of the election will be, and from that they deduce what may perhaps be the tariff policy or other policies in the way of legislation which would affect their business. It is a well-known fact that