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what do I find? I find that last year on the Atlantic Division there was a deficit for the month of July of something like \$880,000. I want to say to you that in 1927, for the month of July, on the Atlantic Division, with twenty per cent reduction in freight rates in force, the deficit has been reduced from \$880,000 to \$200,000. (Applause.)

I find, further, that last year there was an increase on the Atlantic Division for the whole year of something like 12,000 carloads, and that ~~th~~ on the Atlantic Division this year, up to date---and only seven months have passed---the increase is 13,000 carloads. There is a greater increase for this portion of a year than for the whole of last year.

I have argued that the reduction in freight rates might mean an increase in volume of freight; might mean, after all, an increase of revenue, just as the sales in a departmental store are increased by a reduction in the price of the goods. So I am hoping that the burden which the Dominion of Canada felt they were assuming when they took over the deficit on the railway, by the legislation of last year, may turn out to be not so serious after all, and that we may justify it by the increased volume of freight which is produced.

With regard to coking plants, I have nothing more to

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