

Mr. NICHOLSON: I have had some complaints from the travelling public because of the large volume of goods being carried as L.C.L. on western lines, goods that normally should be moved by freight trains. I was informed in February that a rake that will be used next summer was transferred from one express car to another while a passenger train was held up, and that twenty bags of flour are unloaded at a single station while a passenger train is held up. Are there many complaints about that?

Mr. WALTON: There have been very few complaints reaching me. It may be that in some cases we are attempting too much on trains of that kind. The handling of L.C.L. freight on certain passenger trains was undertaken with a view to meeting truck competition. It was the intention to expedite freight that might otherwise go by truck and generally to give good movement to less than carload freight. It may be, as you say, that in some cases we have gone too far with it. I will be glad to take it up with our people and see. There may be a few cases of that kind where undue delay to a passenger train has occurred.

Mr. NICHOLSON: If the people were going hungry you could very well ship a bag of flour by a passenger train but when that is not the case it should hardly be necessary when there is a freight train the next day.

Mr. WALTON: Perhaps it was not separated properly.

Mr. JACKMAN: The rates are much higher by express than by freight.

Mr. VAUGHAN: It may be that somebody was urgently wiring for that particular commodity and they put it on the passenger train.

Mr. WALTON: It is the moving of certain merchandise by passenger trains. It was undertaken some years ago because of truck competition.

Mr. NICHOLSON: Yes, but you were not supposed to handle heavy commodities that would hold up a train.

Mr. JACKMAN: Despite the competition with the trucks and the fact you have to be competitive in your rates the cost of transporting twenty tons of flour by freight must be infinitely lower than transporting it by express.

Mr. WALTON: I do not think there would be anything like twenty tons.

Mr. NICHOLSON: I said twenty bags.

Mr. HARKNESS: Under wages I see that you have applications which would cause an increase of \$32,000,000 per annum. Would not all these applications if granted by the tribunals that are now looking into them be retroactive to 1945 and thereby reduce the surplus that you have shown?

Mr. VAUGHAN: It is very difficult to say what award will be made by the War Labour Board. We have no idea. A number of unions now have their applications before the War Labour Board. Whether or not they will make any awards retroactive we cannot say.

Mr. HARKNESS: The applications are to have them made retrospective?

Mr. VAUGHAN: In the past they have made some of them retrospective, yes.

Mr. HARKNESS: Until those are settled you will not know whether this \$24,000,000 surplus is the correct figure or not?

Mr. VAUGHAN: Yes. If they are settled they will have to go into the 1946 accounts now. That is if there is any retroactive feature.

Mr. HARKNESS: Under the heading "Back Pay" or something like that.

Mr. PICARD: That would be mainly on the American lines, would it? I refer to these applications for increases that are pending.

Mr. VAUGHAN: No, that is on Canadian lines. We have applications on Canadian lines from various unions, and they are not all in yet, amounting to over \$30,000,000.