

time lag, so the revenue would be taken up in the amounts to the extent we had actually received it.

Mr. CREAGHAN: And, if it has been in existence a full year, you are all right?

Mr. GORDON: Yes.

Mr. FORBES: Does that apply to all classes of freight, or just to what the subsidy applies to?

Mr. GORDON: Yes. What I am saying is that the payments we receive are taken up as freight revenue regardless of who pays the actual freight, the shipper or the government.

Mr. SMITH (*Simcoe-North*): I have a question relating to chart No. 2, and the last line on the first page of the annual report, where it says that the increase in certain shipments was more than offset by the movement of grain and grain products. Do you have any figures as to whether or not the decline in the movement of grain products took place mostly east or west of Fort William and Port Arthur. The thought I have in mind is what effect the development of the seaway and the bulk carriers in the Great Lakes had on the movement of grain, and whether you lost most of your grain shipments east of Fort William.

Mr. GORDON: I am sure that we have that breakdown here. Have you the east-west breakdown?

Mr. TOOLE: Just the west.

Mr. GORDON: Well, if the west went up relatively, we will know the east went down.

Mr. TOOLE: The western region grain, in tons, went up slightly.

Mr. GORDON: I do not think that I can answer that question precisely. We have a record showing that our western region carryings, that is, the root grain to which the Crown's nest pass rates applied, declined over the year; but I do not have the eastern figures over the year.

Mr. SMITH (*Simcoe North*): I would be interested to see whether the decline was greater in the eastern region.

Mr. GORDON: I am not sure about that. I would not like to commit myself. My impression is that it did change, but I would like to have a look at it and let you know.

Mr. FISHER: Your agreed charges continued to increase in number this past year?

Mr. GORDON: Yes, they did.

Mr. FISHER: Your running times of your trains continued to increase during the past year?

Mr. GORDON: "Your running time continued to increase?" Do you mean running longer?

Mr. FISHER: Decrease. You put more traffic over the road faster.

Mr. GORDON: Yes, that was our experience.

Mr. FISHER: You have been designing general improvements in your yards and in your traffic service handling, that is, the administrative handling of traffic, in the past year or two?

Mr. GORDON: That is correct.

Mr. FISHER: With all these changes, it would seem to indicate you can give a better and faster service and that you are getting in effect more tied traffic which is probably in the higher revenue group.

I cannot understand why we have had this drop as indicated in chart five, of the higher income traffic. Why are you losing in this area when all your