

yourself. Am I correct in my understanding that with respect to the position of the non-operating trades they have the right under the arbitrator's decision to serve notice—is it six months before the expiration of the two years?

Mr. GORDON: No, it is 60 days.

Mr. FULTON: 60 days, and my recollection is—that makes it sometime around September of this year?

Mr. GORDON: That agreement expires in September of this year so notice would have to be given to us 60 days in advance of that expiry date; they would have to serve notice on us about the first of July.

Mr. FULTON: Sometime about the first of July?

Mr. GORDON: That is right.

Mr. FULTON: Then it would be sometime now before you will be taking this matter up with them again.

Mr. GORDON: Yes.

Mr. FULTON: Unless someone else has a question on that point, Mr. Chairman, I would like to ask one on paragraph 27.

The CHAIRMAN: We haven't reached paragraph 27 yet, Mr. Fulton; if you don't mind? Are there any further questions on the sections up to and including section 26? If not, I will declare the first part of this report carried.

Mr. McLURE: With reference to purchases, I would like to ask one question about the 10 per cent sales tax. Does the C.N.R. have to pay that 10 per cent on all its purchases of supplies for individual lines?

Mr. GORDON: Yes, exactly as a private company does.

Mr. McLURE: That would be quite a large item, would it not?

Mr. GORDON: Yes, it would be a considerable amount. I haven't got the detail down here. We might be able to get a figure on that for you. I have a statement here which shows our taxes on materials purchased—that is really what you have in mind?

Mr. McLURE: Yes.

Mr. GORDON: On them we paid federal sales tax estimated at \$16,362,000 and a further amount of \$3,331,000 in duty.

The CHAIRMAN: Shall paragraphs 1 to 26 carry? If so, we will go on with—

Mr. POULIOT: Mr. Chairman, just before you leave that, I would like to ask Mr. Gordon if they have any separate figures showing the relative earnings on the central region as compared to the other regions. I would like to know how much the earnings were on the central region, on the maritimes—the eastern region, and so on.

Mr. GORDON: While we have accounting figures for the various regions I do not think we make a practice of breaking them down for the different sections. Did you have in mind getting that information section by section?

Mr. POULIOT: Well, Mr. Gordon, I will tell you why I asked that. I understand that the central region is the largest region on the system?

Mr. GORDON: That is correct, in a sense; but, you see that is the difficulty of taking one region—you might have more revenue there and that would show in our accounting figures for that region; for instance, that might be the one region on which you had your greatest volume of traffic.

Mr. POULIOT: I know that, but there are regions in which you have less traffic and which pay less.

Mr. GORDON: That is quite right, quite so; in other words, our heaviest volume of traffic is in the central region and there we get our highest amount of earnings out of the central region.