

Mr. HAMILTON (*York West*): Does the whole solution mean that the Board of Transport Commissioners must not accept an application because of anticipation?

Mr. GORDON: You would be getting into a very difficult position. I would not want to go to the Board of Transport Commissioners before my wage agreements are open, because if I should say: please give me a wage increase, it might indicate that I expected that there might be a wage increase.

Mr. HAMILTON (*York West*): You have to go to them on the basis of the amount of business?

Mr. GORDON: Yes. I can say too that it has not been a question for many years because we have been steadily rising in this country. We are in an expanding economy. But I would like to make it clear that nothing I have said should be taken in any way as a reflection or criticism of the Board of Transport Commissioners because they are doing their job well within the terms that are entrusted to them. Remember, they are bound by statute. They are not making opinion decisions. Their job is to do what the statutes say they must do.

The CHAIRMAN: Is the item agreed to?

Mr. HAHN: In connection with paragraph 8, it say:

In the United States the Interstate Commerce Commission authorized a general six per cent increase in freight rates effective March 7, 1956...

Mr. GORDON: Mr. Hamilton, I am just reminded of a point which I should have made. There is a great difference between having a freight rate increase granted and getting it because the effective increase we get as the rates go up tends to get lower and lower. As the rates go up we are up against a competitive factor which means we cannot collect anything like what we are authorized to because we are pricing ourselves out of the market. It is becoming more and more the case that every increase we get we tend to keep less of it. We have to watch it because it does not do us any good to get a 15 per cent increase and find we can only collect a figure substantially less than the actual apparent amount.

Mr. JOHNSTON (*Bow River*): Then you would ask for a little more than you expect to use?

Mr. GORDON: No.

The Hon. Mr. MARLER: Mr. Chairman, it seems to me Mr. Johnston's question implies it is just a matter of how high the ceiling should be. It is not the ceiling which sets these rates. It is very often the cost of competition which puts a ceiling on how much you can get.

Mr. HAMILTON (*Notre-Dame-de-Grâce*): It seems to me the one conclusion I get out of this is, if we have to get to work from tangibles always, that we must come with facts; but it is absolutely essential that these decisions be obtained at the earliest possible moment or you will always be one step behind.

Mr. GORDON: There is a time lag which is very difficult. You will notice in this paragraph that the Board of Transport Commissioners recognized that very thing. That is why they have given us these interim increases. They have said in effect, "We cannot, in the light of representations made before us, decide your whole case but we do recognize the situation is so urgent that without hearing evidence we will give you some increase." They have given us two increases; the first 7 per cent they granted almost immediately.

Mr. HAMILTON: But I am interested in the fact that it still is not keeping up with the cost.