

Mr. WHITTAKER: Under the circumstances, Mr. Byrne, I do not think it would be appropriate for me to comment on the exact level at this time.

Mr. BALLARD: Mr. Whittaker, I was interested in your comments on the pipe line down in Ohio in the United States and, if I remember the case correctly, when the railway in that particular area was faced with the competition of a pipe line they redesigned some of their equipment to make it more efficient in the movement of the product involved. The question is have the CPR, in connection with the movement of your coal, redesigned any of their equipment to make it more efficient?

Mr. WHITTAKER: I say this, sir, that at the present time the largest hopper cars that the railways use are about 80 tons, but just within the last year or so they have started to build some very good equipment that will handle 102 tons. Most of these cars have been used so far in the hauling of fertilizer and potash and materials that have to be kept bone dry.

I would think that on a large movement of coal, such as we envisage, it would be most attractive for the railways to build larger cars and I think that would be the tendency. At the present time we are using some old cars that were built in 1925 which only hold 50 to 55 tons—there are only a few of them, it is true—but still I think the railroad take the attitude they have written off the cost of these things and so long as they will run they might as well use them. This is why our average shipments are 142,000 pounds rather than 160,000 pounds. This reflects the number of smaller cars in service.

Mr. HARQUAIL: I could elaborate on that in my own company. In the calendar year 1965 we shipped 450,000 long tons. The average carload was 64 tons. Having in mind that the CPR's biggest cars right now are 80 tons, it meant that the bulk of the cars that are now in coal service are cars built 25 years ago or longer, so we are getting the tiny cars.

Mr. BALLARD: Would those cars which you are referring to now, the smaller type car, would they be used for backhaul?

Mr. HARQUAIL: They are being used for backhaul. It is not an efficient operation to the railway to move those very small cars. They are very old but they are being used.

Mr. BALLARD: Mr. Whittaker, you also discounted the possibility that the Canadian government was subsidizing Japanese industry through subvention. I was wondering if there are any comparable cases of American coal going to Japan, comparable from the standpoint of location in the mountains, that is, being shipped to the seaboard and transshipped to Japan? Are there any instances of this? Does the American government pay a subvention to those companies?

Mr. WHITTAKER: Practically all of the American coal that goes to Japan is mined in West Virginia and Virginia, and about the longest haul they have is around 400 miles, or slightly further. They have very favourable grades and they haul some very large trains, as many as 200 cars to the train.

There are no subventions. I will tell you about one thing the American railways do. The loading docks at Hampton Roads and Newport News are owned by the railways. The charge for loading coal at Hampton Roads is 4½ cents a ton. We pay 80 cents a ton at Port Moody. This is because it certainly