

Mr. COOPER: The reserves were created to take care, after the war, of expenditures which should have been made during the war. We are using them for the purpose for which they were created.

THE CHAIRMAN: Mr. Reid, I think you have a question.

Mr. REID: I was interested in knowing what facilities you have for taking care of passengers arriving say, on the Queen Elizabeth or other ships coming to Canada and landing in New York?

Mr. VAUGHAN: We have an organization in London. We have a European manager there who supervises all our traffic offices in Europe. We have offices in Southampton, Glasgow and Liverpool. I think if you refer to page 33, you will find we have offices in Great Britain, in Belfast, Cardiff, Glasgow, Liverpool and Southampton. Then we have, for unrouted passengers, our own offices in New York. We are constantly after every passenger we can get.

Mr. HAZEN: The second paragraph on page 6 says,

The freight rate increases authorized by the Interstate Commerce Commission of the United States effective July 1, 1946, added \$4,290,000 to the gross revenues of the system.

Mr. VAUGHAN: Yes.

Mr. HAZEN: Could you give, not now, but perhaps this afternoon, a breakdown of the earnings of the system in the United States, passenger and freight earnings? You are operating a number of railways in the United States?

Mr. VAUGHAN: Yes, we have three important railways there, the Grand Trunk Western, the Central Vermont and the Duluth, Winnipeg and Pacific.

Mr. HAZEN: Could you give us a breakdown of those?

Mr. VAUGHAN: All right, sir.

Mr. HAZEN: What I am more particularly interested in is your road which runs to Portland. It runs from Montréal to Portland, does it?

Mr. COOPER: We have a breakdown of that.

Mr. VAUGHAN: You probably saw where we are in trouble with the city of Portland because they consider we are letting our facilities deteriorate and not putting sufficient traffic through there.

Mr. HAZEN: I was going to ask a question about that line and I should like to get this information.

Mr. VAUGHAN: We will give you what grain was handled through there in 1945 and 1946, that will give you a good idea.

Mr. LACROIX: I would move the adoption of this report.

The CHAIRMAN: Have you discussed this report sufficiently? I have a motion that it be adopted.

Mr. POULIOT: Is it true that there have been Interstate Commerce Commission rulings which favoured the longer haul on the American railways rather than the shorter haul via the Canadian National lines in the United States? They are setting rates cheaper for the American railways than for the Canadian National railways?

Mr. VAUGHAN: I do not think so. The United States rates are substantially higher than our rates in Canada, taking them all the way through. They were higher before they received this recent interim increase which they received on the first of July, and they received another increase on the first of January. Before they received any increase at all, our average per ton mile rate was lower than the average in the United States.

Mr. POULIOT: Do not the rulings of the Interstate Commerce Commission favour the American railways to the detriment of the Canadian National in some instances?