

Major BELL: On page 23 you pretty well get that classification.

Sir HENRY DRAYTON: We will take up page 23, then. How much of the engineering there was charged to the Long Lac cut-off?

Mr. HENRY: That would have to be ascertained, Sir Henry.

Sir HENRY DRAYTON: I suppose we had better let that stand until that statement comes along.

The CHAIRMAN: Probably that had better stand until we get that statement, and it will be a great deal quicker. Now, have we completed pages 19 and 20?

Sir HENRY DRAYTON: Just while we are on that, do you not think it would be much better, Mr. Henry, to have the system remodelled so that the public would not be misled, and that this first page ought to show your basis, the claims which are set out—

The CHAIRMAN: He might not admit the public is misled.

Sir HENRY DRAYTON: Then we will say the newspapers. We know they were misled, and misled badly.

Mr. HENRY: I think Sir Henry Thornton intimated in his evidence that he had in mind the remodelling of the form of the annual report.

Mr. COOPER: He did not admit there was anything wrong.

Mr. STEWART: Was it not agreed that our report to the House would contain—

The CHAIRMAN: We might let Mr. Henry make a statement, if he so wishes.

Mr. HENRY: Page 5 merely represents a letter of transmission, really, from the President to the Honourable Minister of Railways. If you go on to pages 14 and 15, you will find the consolidated balance sheet, followed by the profit and loss statement and then the income statement.

Sir HENRY DRAYTON: The income statement shows your betterment of \$6,262,000 in operation?

Mr. HENRY: Yes.

Sir HENRY DRAYTON: That is the betterment in operation, while anyone looking at page 5 would think there had been an improvement of \$17,000,000 plus.

Mr. HENRY: In operation?

Sir HENRY DRAYTON: I point out that this is entirely operating.

Mr. HENRY: It is a question of classification.

Sir HENRY DRAYTON: Your rental of cars and all that sort of thing, all that goes into your operating expenses?

Mr. COOPER: This is the standard classification.

The CHAIRMAN: Following out the regular practice?

Mr. COOPER: Following the I.C.C. Your suggestion, Sir Henry, is that the whole thing ought to appear on the first page. Would it be your view that this first page ought to include the whole income statement?

Sir HENRY DRAYTON: No, just the net returns claimed by the system. This looks to the ordinary man on the street as though there had been an improvement of \$17,000,000.

Mr. HENRY: In the operating?

The CHAIRMAN: That is perfectly clear. If you take the income statement it tells exactly what you think it ought to tell; it shows an income improvement of over \$6,000,000, and on page 6 it is merely a comparison of the operating expenses.