

These figures are fairly comparable from 1924 to 1929 but differ sharply after that date. Why?

(6) A newspaper article lately made this claim: "General expenses on the C.N.R. on a mileage basis are double the C.P.R. Does this difference exist—if so why?"

Are the accounts of General Expenses on a comparable basis on the two roads?

Are pensions treated in the same way in this account in both roads?

Is there any difference in accounting methods *re* taxes?

I would appreciate answers to these questions.

Sincerely,

CANADIAN NATIONAL RAILWAYS

INFORMATION REQUESTED BY THE SELECT STANDING COMMITTEE ON RAILWAYS AND SHIPPING, JUNE 20, 1934

QUESTIONS BY MR. HANBURY

The operating ratio of the C.N.R. declined steadily from 1923 to 1929.

After 1929 the cost of earning a dollar on the C.N.R. went up rapidly as compared with its main competitor.

The figures I am using for this comparison are the following: (Years 1923 to 1931 inclusive are taken from the Duff Report. 1932 and 1933 from the reports of the railways).

Operating Ratios

Year	C.N.R.	C.P.R.	Spread
1923..	91·8	81·0	10·8
1924..	92·5	80·5	12·0
1925..	86·7	77·3	9·4
1926..	82·5	75·8	6·7
1927..	84·9	78·5	6·4
1928..	82·0	75·4	6·6
1929..	85·6	77·3	8·3
1930..	91·4	78·4	13·0
1931..	99·8	80·3	19·5
1932..	96·34	80·7	15·64
1933..	96·16	78·29	17·87

In the table given the C.P.R. ratio remained practically the same between 1929 and 1933—the C.N.R. records an increase of nearly 10 points.

(1) Is this change due to a decline in the relative volume of total business handled by the C.N.R.?

(2) Or to relative increase of expenditures?

(3) Your Annual Report, page 12, 1933, gives a summary of expenditures under different accounts—are these accounts comparable in the two roads?

(4) If the answer to No. 2 is in the affirmative, please state in which account the increase took place. (On basis of accounts, page 12.)

(5) I have the following statement of the equipment ratios of the C.N.R. and C.P.R.

Equipment Ratio*

(Ratio to Gross Revenues)

Year	C.N.R.	C.P.R.
1923..	21·05	17·79
1924..	20·62	18·15

*Canadian Lines only C.N.R. including Eastern Lines.