

Sir HENRY DRAYTON: No. Take the passenger business: What is the earnings of the rate in connection with passenger cost against receipts?

Sir HENRY THORNTON: What is that?

The CHAIRMAN: Are you quite through with advertising?

Sir HENRY DRAYTON: No; it has to do with these free passes.

Sir HENRY THORNTON: Our passenger receipts in 1923 were \$39,285,382.

Sir HENRY DRAYTON: I want to get at what your pro rata passenger train expenses are with a view of seeing what your operating ratio is in the passenger business.

Sir HENRY THORNTON: I don't quite get that. Your question really is designed to answer this question: Does or does not the passenger business pay.

Sir HENRY DRAYTON: And to what extent.

Sir HENRY THORNTON: I cannot give you those figures offhand. I would have to go into that, but I can say to you generally that I do not think we make any money on the passenger business as it stands to-day.

Sir HENRY DRAYTON: I don't think you do.

Sir HENRY THORNTON: And to a large extent that is due to certain unremunerative services, which necessarily must be maintained, and you cannot get away from that. I think if you asked any railroad man on the North American continent, he would either say the passenger business did not pay, or if it did pay, it certainly did not anything like the percentage which his freight business pays. In other words, the passenger business—excepting when you are dealing with large concentrations of people, such as suburban business at Chicago or New York—does not pay; the general feeling of the railway industry is that the passenger business is not a source of profit.

Sir HENRY DRAYTON: Excepting where you have the long haul.

Sir HENRY THORNTON: The passenger business which does pay, and it is the only business which is profitable, is the suburban business in such cities as Chicago, New York, and London. There it becomes quite profitable for the very simple reason that you are always able to load your train.

Sir HENRY DRAYTON: What do you say about Montreal?

Sir HENRY THORNTON: We may make something out of it.

Sir HENRY DRAYTON: And what about Toronto?

Sir HENRY THORNTON: Yes, but nothing like the same proportion that we would around New York or London.

Sir HENRY DRAYTON: The only reason I asked that is because in the Commuters' Rate Case, which we had before the Board, the attitude of the railways was somewhat different; they said they lost money.

The CHAIRMAN: We can segregate that, and I should say that the suburban passenger business in Montreal and Toronto is a field which ought not to be neglected, and I believe some day will be profitable, depending on how rapidly the cities grow.

Sir HENRY DRAYTON: You have some figures which give information, in connection with the railway-passenger-train-mile-cost, car cost, and the operating ratio.

Sir HENRY THORNTON: Is that something you want us to get?

Sir HENRY DRAYTON: Mr. Henry can get that very readily. I may say that down on the Intercolonial, when Mr. Gutelius was there, we had some pretty good cost sheets gotten out; I do not know whether they were really accurate, but they went a long way in describing conditions, and they gave a full picture of all these passenger conditions.