

Mr. HUNGERFORD: Yes.

Mr. KINLEY: Then your equipment is in better shape than that of the other road?

Mr. HUNGERFORD: I have no information as to the condition of their equipment, but I know we did not spend any more than was reasonably necessary.

Mr. KINLEY: They seem to be running older cars.

Mr. HUNGERFORD: I have no detailed information in regard to that.

Mr. DEACHMAN: But the difference between the two ratios maintained by you and the C.P.R. would make a vast difference in the operating ratio?

Mr. HUNGERFORD: The accounts are not made up on a uniform basis. C.N.R. accounts are strictly in conformity with Interstate Commerce Commission regulations.

Mr. DEACHMAN: And in that connection I have a first class complaint. I would like to see the accounts of the two roads made up on precisely the same basis so that a man as stupid as I am could ascertain the true facts with regard to each road.

Hon. Mr. HOWE: We have started the ball rolling in that direction. I took the matter up with both railroads about a year ago to ask for revision of the Canadian regulations with regard to Canadian railways, and they were generally in accord with the idea. We appointed a committee consisting of a man from our department, a representative from the Bureau of Statistics, a representative from the C.P.R., a representative from the Canadian National and representatives from other roads in Canada under federal jurisdiction, and we hope within a reasonably short time to bring out a set of regulations for accounting that will make all reports uniform.

Mr. DEACHMAN: The question of traffic expense was under discussion a few years ago and there was criticism of the C.N.R. That is why I asked the question about the basis of comparison, and we have had the point brought out that the C.P.R. has steamship traffic in that account. Surely both railroads should be placed on precisely the same accounting basis in order that the public can be informed as to the real facts. Colonization is under different classifications in the two railroads, and the pension systems were treated differently, and one would have to be a Philadelphia lawyer as well as a member of parliament in order to find out the real facts under the circumstances.

Hon. Mr. HOWE: What happened, I think, was that there was a regulation issued in 1917 covering accounting which was rather loosely drawn, but the Canadian National because of having lines in the United States has come more and more to follow the Interstate Commerce Commission rulings, which are the most advanced of any to-day. The C.P.R. continued to follow the old method pretty well.

Mr. DEACHMAN: Their lines in the United States are operated as separate companies?

Hon. Mr. HOWE: Yes, and they have no direct interest in carrying out their accounting in accordance with the practice of the Interstate Commerce Commission.

Mr. DEACHMAN: We all recognize that there is a very clear distinction as between the two railroads, with differences in the density of traffic, the length of haul, and that sort of thing, which are factors ultimately in these operating ratios, but I would like to see the accounts of both railroads put upon such a basis that we could present them to the House of Commons or to this committee in an understandable form.

Hon. Mr. HOWE: Within a reasonably short time we hope to set up accounting regulations that will conform with your wishes in the matter.