

year, economies are introduced, and I will say that legitimate economies are introduced, which will tend to greatly affect and improve the efficiency and the satisfactory character of the service. These are real economies.

Sir HENRY DRAYTON: On that point, Sir Henry (Thornton): I think you have improved your average loading in tons per train mile, by 3.7 per cent.

Mr. HEAPS: Of what are you speaking, Sir Henry (Drayton)?

Sir HENRY DRAYTON: The increased efficiency of 1925 as against 1924. The increase in average loading per train mile is 3.7 per cent.

Sir HENRY THORNTON: Now, the operating ratio this last year fell from 96.68 to 86.83, and I would like to tell you a very interesting thing in connection with that last figure of operating ratio. The London and North Eastern, of England, has gross earnings which approximated \$300,000,000. It is one of the four large railway systems of England, and serves a very big and important industrial district. Their mileage is about 7,000; that is to say, their \$300,000,000 gross earnings, is concentrated into 7,000 miles of line. They pay about 20 per cent or 25 per cent less wages than we do—

Mr. HEAPS: The individual wages?

Sir HENRY THORNTON: Yes; but their operating ratio last year was slightly more than ours. We had \$245,000,000 gross earnings over 22,000 miles of railway, which means less density of traffic, and pay higher wages than they pay, and yet, notwithstanding that, our operating ratio was slightly less than theirs. It makes my mouth water to think what we could do if we had \$300,000,000 gross earnings under these conditions. Of course, it is always dangerous to compare the operations of a railway in one country with the operations of a railway in another country, but still there is the outstanding fact that, notwithstanding all our difficulties, we did operate last year for slightly less than the London and North Eastern Railway of England; that bald fact stands out.

The CHAIRMAN: Do you distinguish as between operations for freight and passenger traffic?

Sir HENRY THORNTON: No, that is the total operation. They have much higher freight rates—enormously higher freight rates. That is another factor. One does not like to interject contentious points into a meeting of this kind, but the fact stands out that if the average freight rates in Canada were the same as the average freight rates in the United States, we would have had last year net earnings, not of \$32,000,000, but of \$56,000,000.

Well, Mr. Chairman and gentlemen, I do not know that there is very much I can add in the way of a general statement. As I said at the outset of my remarks, everything is here in the report; everything has been touched upon, and I can only say in conclusion that again it is a pleasure to meet this committee in the way we always have met, for the discussion of our railway problems, with a view to finding out what way is best to administer the property, to find out what mistakes have been made in the past, so that we may correct them in the future.

Mr. HEAPS: I would like to ask you a question, Sir Henry (Thornton). It was drawn to my attention a few weeks ago in connection with the railways. Can you give me a fairly approximate idea of how much government business the Canadian National Railway actually gets—take it in a general way; take the Post Office Department, for instance.

Sir HENRY THORNTON: I cannot give you those figures offhand.

Hon. Mr. DUNNING: The mail is approximately equal between the two; I have a return on that.

Mr. HEAPS: Is any mail going by other lines which could be handled by the Canadian National?

[Sir Henry Thornton.]