

Mr. HANSON: I am not asking for any information concerning individuals; I am asking for the total.

Mr. DEACHMAN: It is not a matter of right that is involved, it is a matter of the advisability. We are concerned with the operating efficiency of the C.N.R. considered in relation to the factors of traffic density and operating conditions. If we catch them there I think it would be too bad for them.

Mr. KINLEY: Mr. Chairman, how are the salaries of railway officials determined, by themselves?

Mr. HUNGERFORD: Oh, no.

Hon. Mr. HOWE: By the board of directors.

Mr. KINLEY: Do you have any say in them?

Hon. Mr. HOWE: No, but we have the privilege of appointing the seven directors who determine the salaries.

Mr. KINLEY: They decide what the salaries will be and you fix their salaries?

Hon. Mr. HOWE: Yes, we fix the salaries of the directors and of the chairman of the road; the other salaries are fixed by the directors.

Mr. KINLEY: This matter of salaries is a rather important matter.

Hon. Mr. HOWE: We have a very tough board of directors. I am inclined to think they are too tough.

Mr. HUNGERFORD: I have no objection to advising Mr. Kinley that the procedure is this: The salary of anyone between \$3,000 and \$6,000 a year is determined by myself, but each move has to be reported to the directors. If there is any adjustment of salary over \$6,000, that has to be determined by the board of directors.

Mr. KINLEY: I suppose there are wages over \$3,000 in some instances?

Mr. HUNGERFORD: Yes; that does not apply to schedule provisions.

Mr. KINLEY: Mr. Hungerford talked of salaries over \$3,000.

Mr. HUNGERFORD: I am speaking of salaries—

Mr. KINLEY: I might as well be frank about this: The first thing a company in such a position does is to take care of salaries that are paid.

Hon. Mr. HOWE: That is done pretty thoroughly on the Canadian National. Slashes were much more severe in the head office than anywhere on the line.

Mr. KINLEY: It is just as well to keep that in the forefront.

Mr. DEACHMAN: Competition also enters into it.

Mr. KINLEY: I do not think there is much competition to it, if the old fellows want to get out and give the young fellows a chance to come up. Bring the young fellows along and give them a chance.

The CHAIRMAN: Now, gentlemen, I want to ascertain if you desire to read into the record all of these details or simply the summaries. I think the summaries would be quite sufficient. We all have a copy of the report. Coming to page 18, property investment accounts; we have gone through that. Shall the item carry?

Carried.

Transactions from the year 1930 affecting proprietor's equity. You have before you at the present time a report entitled, "Canadian National Railways Security Trust." Although Dr. Clark is unable to be here, Mr. Cooper has the figures in hand, and I would think it advisable to take this report and deal with it while we are on this item. The whole thing is included in the figures on the balance sheet. If Mr. Cooper would read the balance sheet I think that would dispose of the whole thing.