

Mr. HANBURY: Good will.

Sir HENRY THORNTON: Certainly. People go to the store where they are treated the best, if they are going to buy goods, and our whole effort has been to advertise the Canadian National Railway; to create in the minds of our clientele on the North American continent the idea that the Canadian National can give them the very best service. As a matter of fact all of the operations of the railway are a factor in that particular, and are a function of it.

Mr. HANBURY: Would not that item of expense be a very small percentage of your total business?

Sir HENRY THORNTON: I think Mr. Fairweather can give you that percentage.

Mr. FAIRWEATHER: It amounted to only 35 cents per thousand traffic units, and the percentage on the total expenditure is very small, it amounts to 3·5 per cent on the total expenditure.

Sir HENRY THORNTON: In other words, 3·5 per cent was allocated to the securing of business. It is probably lower than it ought to be.

Mr. HANBURY: I quite agree with that. How would that compare, Sir Henry, with competing railways? Have you that information?

Mr. FAIRWEATHER: They are very comparable, as a matter of fact we are lower than a good many and we are somewhat higher than others; but on the average I think we are rather a little lower than the railways whose traffic problems are similar to ours.

Mr. HANBURY: I would suggest that the item should be further increased.

Mr. HACKETT: Last year it amounted to over eight and a half million dollars?

Mr. FAIRWEATHER: What system are you speaking of?

Mr. HACKETT: I am speaking of the Canadian National, that item of \$7,712,000, and The Eastern Line item of \$952,686.

Mr. FAIRWEATHER: That I think is correct. I have the figures.

Mr. HACKETT: Now, if you can give it I would like the figure for 1923.

Mr. FAIRWEATHER: I have that figure.

Mr. HACKETT: How much was that?

Mr. FAIRWEATHER: On a comparable basis, \$5,953,000 for 1923. That is a comparable figure to the one you quoted, namely all inclusive system of the Canadian National Railways.

Hon Mr. EULER: Did your business relatively increase that much?

Mr. FAIRWEATHER: The total operating revenues were \$265,000,000 in 1923 on the all inclusive system. However, they reached a volume of \$312,000,000 in 1928. Now, it has receded, but naturally we would be foolish to reduce our traffic expenses in the face of a situation that demanded the very closest attention to traffic matters.

Mr. HANBURY: Increased competition?

Mr. FAIRWEATHER: The increase of revenue was from \$265,000,000 to \$312,000,000.

Mr. FRASER: How does it compare with 1930?

Mr. FAIRWEATHER: In 1930 the revenue figure was \$251,000,000.

Mr. HACKETT: Less than 1923.

Mr. FAIRWEATHER: It was somewhat less than 1923.

Sir HENRY THORNTON: What happens, of course, is in a time of depression business is sparse and competition grows hotter; that is, the process of