

Line No. 19.—The figures covering interest on Government loans are as per the books of the Company. These loans either represent advances to meet deficits, in which case it may be urged that interest should not be accrued thereon, or they represent additional capital put into the enterprise to keep it going, and are therefore in the category of shareholders' capital which should not bear a fixed rate of interest. Nearly 90 per cent of the interest has been charged at the rate of 6 per cent.

General.—There are a number of minor errors ranging upward to \$10, to which it has not been deemed necessary to draw attention.

APPENDIX No. 2

QUESTIONS BY MEMBERS OF THE COMMITTEE AND ANSWERS THERE TO AS FILED BY MR. FAIRWEATHER

Question By Mr. Maybank:—You might put in a similar comparison (of operating ratios) between the C.N.R. and the average for Class I Roads in the United States.

Answer:—The comparison for typical years 1928 and 1934 is as follows:

	1928	1934
Operating Ratio of C.N.R. Lines in Canada	83.6	92.5
Adjustments to make C.N.R. Ratio comparable with Average Class I U.S. Roads Ratio on a fair basis of comparison		
Freight and Passenger Rates; Express, Telegraph, Colonization and Pension	6.6	0.8
Average Haul	3.2	2.7
Car Lading	1.0	0.5
Freight Density	8.3	14.6
Passenger Density	3.7	6.9
Retirements and Depreciation	2.5	2.6
Wages	—	4.2
Fuel	4.2	4.2
C.N.R. Ratio as Adjusted	65.5	76.6
Average Class I Roads Ratio	72.4	74.6

NOTE:—Black figures denote decrease in C.N.R. Operating Ratio; Italic figures denote increase.

By Mr. Hanson:

Q. I would like to have the Profit and Loss statement in connection with the British Columbia Alaska coastal service?