

officers and staff assistants. Further, the statistics do not segregate salaries of this group as between railway operation and capital expenditure. With this qualification the comparison for 1933 on various basis is as follows:—

Salaries of Executive Officers and staff assistants as to percentage of—	Class 1	
	U.S. Roads	C.N.R.
Gross Revenues..	2.00	2.16
Operating Expenses..	2.75	2.24
Total wages paid, including capital expenditures..	4.41	3.32

Hon. Mr. EULER: Twenty-five per cent below the general average.

Mr. FAIRWEATHER: On that last basis. You see it is difficult to get any single basis that you can say is absolute, but there is the answer, and that is all the answer. On a revenue basis we are a little higher than class 1 roads; on an expense basis we are lower, the reason being that our operating ratio is high due to our lack of traffic density.

Hon. Mr. MANION: May I ask a question in that regard; I think it is better that we should have the point cleared up: are you satisfied that those whom we call at present executive, general officers and assistants are properly cared for and the proper efficiency of the Canadian National railways kept up? Are you satisfied that to-day the Canadian National railways are properly cared for in regard to its executive officers in comparison with other railways?

Hon. Mr. FULLERTON: I am thoroughly satisfied.

Hon. Mr. MANION: I think that should go out because I do not think any impression should go abroad that in some way the Canadian National is being starved in regard to its officers, or in any other way.

Hon. Mr. FULLERTON: I have had no complaints whatever. The officers are loyal, and they are willing to help out all they can. They have accepted the reductions in a good spirit, and they all feel they are helping the country and helping the railroads. There have been no complaints; I have had no complaints—everybody is working efficiently and well and everybody has his heart in the success of the railway.

Mr. HANBURY: Probably I am responsible for most of this discussion. I do not want to give the impression that a man who is getting \$20,000 a year is starving to death, but I am frank to say that the impression I received from Dr. Manion was that the Canadian National railways were cutting deeper than other competitive railways. The figures we have had submitted to us this morning would confirm that statement; but I am simply basing my claim on the statement that under competitive conditions we should not expect to pay our executives less than competing railways if we expect the same efficiency from them.

Hon. Mr. MANION: You say that the figures submitted this morning confirm your attitude? Which figures?

Mr. HANBURY: No, I said, Dr. Manion that the figures submitted this morning confirmed your statement that we have cut deeper than other competitive railways.

Hon. Mr. MANION: What figures have you got that confirm that we cut deeper?

Mr. GEARY: On the executive.

Hon. Mr. EULER: The figures Mr. Fairweather gave.

Hon. Mr. MANION: Mr. Fairweather used one basis when the company was on a better basis. On the other basis—

Hon. Mr. EULER: Which he thought was the fairer basis.

Hon. Mr. MANION: He would.