

The CHAIRMAN: Well, Mr. Gillis did not want to wait, and knowing his deep interest, I let him go on.

Mr. GILLIS: I was sorry to see that the railways were still carrying that \$46 million of interest charge.

Hon. Mr. CHEVRIER: \$46 million?

Mr. GORDON: Yes. That is the total of interest.

Mr. GILLIS: Yes.

Mr. MACDONNELL: Did Mr. Gordon deal with the question of "Operating Ratios", or would this be the correct place for him to do so? I wish he would say a word or two about it and perhaps give us some comparative figures, if this is the convenient place.

The CHAIRMAN: I think perhaps this might be a good place to do it.

Mr. GORDON: Page 29; is that the figure you have in mind, Mr. Macdonnell?

Mr. MACDONNELL: I mean actual.

Mr. GORDON: Comparative expenses?

Mr. MACDONNELL: How much of the dollar it costs you to earn a dollar?

Mr. GORDON: There is a comparison of our total revenue, 92.85.

Mr. MACDONNELL: Would this be a convenient place to give us the comparative figures of other north American railways?

Mr. GORDON: In a general way I would say that our percentage of operating in terms of expenses is perhaps somewhat higher than the class one railways of the United States.

Mr. MACDONNELL: Do you not think it should be perhaps the most directly comparative figures we could get?

Mr. GORDON: There are a number of qualifications, to be sure; that is, there is nothing that you can compare with the Canadian National Railways as such. If you take the United States Class one railways, they are, after all, railways operating in a limited territory; there is no transcontinental railway as such; there is nothing comparable in the way of our thin traffic lines which have been built in the national interest, and so on. Therefore, when you look at these things, you must come out with the conclusion, in so far as our operating ratios are concerned, that inevitably they are bound to be higher.

Mr. MACDONNELL: I am sure you have made clear the considerations to be borne in mind, and I hope that we will have sense enough to accept them as you have described them; but does this not give you a starting point?

Mr. GORDON: I agree.

Mr. MACDONNELL: What I am seeking is a comparison. Perhaps we can leave it now and you will be able to say something about it later.

Mr. GORDON: Yes. I shall see what I can set up on it later on.

Mr. McLURE: Mr. Chairman, where can we find a breakdown of the operating revenues of the different regions of the Canadian National Railways?

Mr. GORDON: We do not break down our accounts in the form you are thinking of, Mr. McLure, region by region.

Mr. McLURE: Yes?

Mr. GORDON: Our difficulty there is that there is quite an item of expenses which we call common expenses and which has to be spread over the whole system as part of the railway debt; so it is not possible to take out specific regions in a form which would allow for proper comparisons of the kind you have in mind.