

increased sufficiently. It was that the others had been increased out of proportion.

Sir HENRY THORNTON: That is what I want to explain. That is something which we deal with collectively. It is collective bargaining with respect to, I suppose, at least 90 per cent of our men.

The CHAIRMAN: Even the higher paid ones. That is what you are referring to?

Mr. STEWART: Perhaps Sir Henry sees through it.

Sir HENRY THORNTON: That represents the way in which the wages are determined for what might be called the rank and file, and I do not think there can be any criticism that they have not been properly looked after, because if there is any criticism it is not against the company. It is against the trade union organizations that represent them.

Mr. STEWART: I was not suggesting any criticism there.

Sir HENRY THORNTON: When you come to the higher paid officers in the organization, I am safe in saying we have no more general officers and they are no more highly paid than on the average, and the generally accepted practice in every railway like the Canadian National Railway System—if you take our higher officers you will find that they generally receive not so much money as the corresponding officers on a first class American railway. I do not know exactly, of course, what the salaries are that are paid to the higher officers of the Canadian Pacific Ry., but so far as I have been able to find out we are certainly no higher and in many cases I know that we are paying less, so that the criticism that we are paying our officers a higher salary than a corresponding officer in a similar company is not an accurate criticism. We pay our vice-presidents a sum per annum, which I know from my own knowledge, is less, correspondingly with officers who do not do as much work, on either the New York Central or the Pennsylvania Railway. Our general expenses increased last year \$254,000. Practically all—in fact I feel safe in saying, that all of that increase was due to expenses incurred through the situation of the officers and the staff moving from one place to another and in getting them settled down into the new organization. For instance, we established our own regional headquarters at Winnipeg and Toronto and Moncton. We collected all our general headquarters staff at Montreal. Men had to be sent from Toronto and other places. Those clerks and officers, more particularly clerks, in many cases owned their own homes or partially owned their own homes in the place where they lived. It was not fair to ask them to sacrifice their homes in order to move to the new headquarters which the company determined upon, and we had to assist them for the time being, in getting rid of their property; and also we had to help them in their expenses and their rentals for a period in the place to which the company had moved them. Furthermore there had to be reconstruction of offices, interior arrangement of the offices, to meet the new organization. Now, all of that represented expense which came into last year and which will not be recurrent in subsequent years. That is the explanation of the increase of the \$254,000. You, of course, will understand that we had to consolidate the headquarters staff and to some extent the regional staff of the old Grand Trunk system, of the old Government railway and several hundred, in fact perhaps, some thousands of clerks had to be moved to be put in the new quarters and in new habita. All of that meant a good deal of initial expense which will not come about in subsequent years. Really, it is an expense that will not absorb gross earnings, and even with these expenses added last year, which as I said, would not be recurrent in subsequent years, our percentage of expense to gross revenue is substantially that of other large railway properties.

Mr. HARRIS: What railway would you say?