

Economies of over \$20,000,000 this year, 122.
 Canadian National Railways should become a great asset to country, 122.
 Directors' duties to consider matters of policy rather than details, 123.
 Canadian National Railways cannot be operated at as low a rate as other railways, 124.
 Pacific area locomotives requiring repairs have to be hauled to Winnipeg, 124.
 Four lines between Montreal and Quebec, and two lines to Pacific, 124.
 Hotels are losing money, 125.

BURNAP, MR. R. L., VICE-PRESIDENT OF TRAFFIC, CANADIAN NATIONAL RAILWAYS.

Reductions in train services, Montreal-Toronto, Montreal-Quebec, and Montreal-Ottawa, 295.
 Excursion trains, 295.
 Passenger offices in American cities, 322.
 Freight rates reduced 20 per cent westbound from Maritime Provinces, 335.

COOPER, MR. T. H., ASSISTANT COMPTROLLER, FINANCE DEPARTMENT, CANADIAN NATIONAL RAILWAYS.

Competitive bids for loans were commenced four years ago, 81.

DECARY, MR. E. R., FORMER DIRECTOR, CANADIAN NATIONAL RAILWAYS.

Director, Canadian National Railways from 1922 to 1930, 228.
 Was opposed to purchase of house for Sir Henry Thornton but not to leasing, 229.
 Understood Minister of Railways knew of house discussions because Deputy Minister present at every board meeting and reports to Minister, 229.
 Conversation with Manager of Montreal Trust Company about financing house purchase, 229.
 Board executive committee meeting at which house deal arranged, 230.
 No "graft" in house transaction, 231.
 Any profit to be made is conditional upon value remaining or appreciating, 234, 236.
 Acted as notary to Grand Trunk Railway and Canadian Northern Railway before amalgamation, 235.
 Firm was doing work for Canadian National Railways, 235.
 \$185,000 borrowed for purchase of house on security of Canadian National Railways, 236.
 House assessed value is \$75,000, 237.
 House insurance \$135,000, furniture \$15,000, 238.
 House rental is now 8½ per cent of \$185,000, 238.
 Two per cent charged over and above interest will amount to about \$50,000, 240.
 At end of ten years, if property is worth more than \$135,000, the difference between that amount and \$185,000 will be profit, 241.
 House rental \$15,725, taxes \$1,687.50, 243.
 If house burned down, witness would have to pay to Montreal Trust Company difference between \$185,000, the purchase price, and \$135,000, the insured price, 245.
 Firm had nothing to do with purchase of property for Montreal Terminal project, 247.

DUNNING, HON. C. A., FORMER MINISTER OF RAILWAYS AND CANALS.

Very familiar with Sir Henry Thornton's new contract, 223.
 Only one or two slight changes—one in respect to salary—between old and new contracts, 223.
 Expressed view that law and contract did not permit of bonus being given to Sir Henry Thornton, 224.
 Sir Henry Thornton intimated that he had rejected bonus, 224.
 Did not know that Sir Henry Thornton was receiving salary from Central Vermont or any other subsidiary company, 224.
 Intimated disapproval in 1928 of inclusion in estimates of sum of money to purchase residence, 224.
 Board of directors did not require to submit a proposal to Minister of Railways to lease anything, 225.
 Was very anxious to have a contract beyond cavil, 226.
 Does not believe directors had power to pay more as salary than contract stipulates, 227.

FAIRWEATHER, MR. S. W., DIRECTOR, BUREAU OF ECONOMICS, CANADIAN NATIONAL RAILWAYS.

Officials' club dues, 12.
 Average monthly expense accounts of officials, \$36.50, 13.
 Travelling by officials curtailed and telephone or mail used instead, 17.
 Continuous running audit is conducted, 39.
 "Official" and "Employee" defined by regulations, 40.