

*Qualifications:* As compared with the Canadian National expenses, the Canadian Pacific expenses do not include express department expenditures, commercial telegraph expenditures, colonization and agriculture expenses and pensions.

Question 3: Your annual report, page 12, 1933, gives a summary of expenditures under different accounts; are these accounts comparable in the two roads?

Answer: The known large differences are stated in the qualifications to the answer to question 2.

Question 4: If the answer to No. 2 is in the affirmative, please state in which account the increase took place (on basis of accounts, page 12).

Answer: The relative proportions of the total expenditures for each of the general groups of expenses of the two properties for the years 1923-33 inclusive with the same qualifications previously mentioned are as follows:—

—	Maintenance of Way and Structures		Maintenance of Equipment		Traffic		Transportation		Miscellaneous		General		Total Expenses	
	C.N.	C.P.	C.N.	C.P.	C.N.	C.P.	C.N.	C.P.	C.N.	C.P.	C.N.	C.P.	C.N.	C.P.
1923.....	58.6	41.4	60.1	39.9	41.8	58.2	61.1	38.9	47.9	52.1	68.4	31.6	59.8	40.2
1924.....	61.1	38.9	59.1	40.9	45.5	54.5	61.3	38.7	49.9	50.1	68.1	31.9	60.2	39.8
1925.....	62.2	37.8	58.9	41.1	44.6	55.4	61.1	38.9	47.8	52.2	67.1	32.9	60.1	39.9
1926.....	61.5	38.5	57.3	42.7	43.3	56.7	60.7	39.3	47.5	52.5	67.9	32.1	59.4	40.6
1927.....	61.5	38.5	55.7	44.3	43.5	56.5	60.6	39.4	49.8	50.2	67.3	32.7	59.0	41.0
1928.....	59.9	40.1	54.9	45.1	44.6	55.4	60.2	39.8	49.4	50.6	67.3	32.7	58.4	41.6
1929.....	61.2	38.8	57.7	42.3	45.7	54.3	60.9	39.1	48.3	51.7	67.6	32.4	59.6	40.4
1930.....	63.6	36.4	61.3	38.7	45.8	54.2	60.9	39.1	49.9	50.1	69.5	30.5	60.9	39.1
1931.....	65.3	34.7	68.1	31.9	43.0	57.0	61.5	38.5	47.7	52.3	69.8	30.2	62.8	37.2
1932.....	60.4	39.6	65.0	35.0	43.5	56.6	60.7	39.3	44.5	55.5	71.2	28.8	60.9	39.1
1933.....	63.3	36.7	63.9	36.1	42.8	57.2	61.0	39.0	48.9	51.1	71.7	28.3	61.5	38.5

Question 5: I have the following statement of the equipment ratios of the C.N.R. and C.P.R.

*Equipment Ratio\**  
(Ratio to Gross Revenues)

Year	C.N.R.	C.P.R.
1923.. . . . .	21.05	17.79
1924.. . . . .	20.62	18.15
1925.. . . . .	19.93	18.21
1926.. . . . .	19.08	18.67
1927.. . . . .	18.87	19.57
1928.. . . . .	17.92	18.97
1929.. . . . .	19.34	18.90
1930.. . . . .	19.84	16.68
1931.. . . . .	21.91	14.11
1932.. . . . .	19.77	14.06

\*Canadian Lines only. C.N.R. including Eastern Lines.

These figures are fairly comparable from 1924 to 1929 but differ sharply after that date. Why?

Answer: The general statistical explanation is contained in the answers to questions 1, 2 and 4. It should be pointed out, however, that the ratios quoted in the question are subject to adjustment from year to year due to changes in accounting methods in the case of the C.N.R. and to the fact that the C.P.R. figures from 1923-1931 are for the C.P. Railway proper, excluding its Canadian rail subsidiaries. See also general remarks.