

Mr. HANSON: How does our road compare with number one American roads or number one roads on the continent with regard to operating ratio?

Mr. ARMSTRONG: Considerably lower, on account of the tremendously higher freight and passenger density on the United States lines. Their operating ratio last year on the average was only 72 per cent and ours was 91 per cent; that is the average of all class 1 roads.

Mr. HUNGERFORD: Year in and out, our traffic density represents about 45 per cent of the average of the United States roads.

Mr. DEACHMAN: What is the lowest operating ration in the United States?

Mr. ARMSTRONG: A single railway?

Mr. DEACHMAN: Yes, is it the Delaware and Hudson?

Mr. ARMSTRONG: We will let you know.

Mr. BARBER: Please explain what is meant by switching revenue?

Mr. McLAREN: That is switching performed around terminals such as Montreal, Toronto, and other large terminals for which a charge is made.

The ACTING CHAIRMAN: If there are no further questions to be asked with respect to page 12 we shall pass on to page 13.

Mr. KINLEY: Just a moment, please. With regard to telegraphs and telephones, does the telegraph give you a surplus?

Mr. HANSON: I asked about that a while ago.

Mr. ARMSTRONG: It depends upon how you look upon the telegraphs. As an added facility to the railway undoubtedly it gives us considerable net revenue.

Mr. KINLEY: Does the commercial part pay?

Mr. ARMSTRONG: You have to have poles and wires for railway operation, and as an added facility, the commercial department has a substantial net earning. It is rather difficult to divide it between railway and commercial, and you have to do it arbitrarily; but as an added facility, it has a substantial net earning.

Mr. BARBER: Is there any tying co-operation between telegraphs and telephones of the C.P.R. and C.N.R. in small towns where neither one pays?

Mr. HUNGERFORD: Not yet; but we are seeking to bring it about.

The ACTING CHAIRMAN: We will pass to page 13: Maintenance of Way and Structures Expenses. Are there any questions to be asked with regard to that group of items?

Mr. ELLIOTT (Kindersley): There is an item of \$19,000 odd for insurance. To what does that refer?

Mr. McLAREN: Offhand I do not know.

Mr. KINLEY: To what does the item of \$301,000 odd for Injuries to Persons refer?

Hon. Mr. HOWE: What item?

Mr. KINLEY: Injuries to persons, \$301,000.

Mr. HOWDEN: Liability, I suppose.

Mr. KINLEY: Is that a compensation charge?

Mr. ARMSTRONG: That would principally represent liability to employees.

Mr. KINLEY: You do not insure but you compensate?

Mr. ARMSTRONG: That is workmen's compensation.

Mr. KINLEY: That is what your compensation to employees of the railroad costs?

Mr. ARMSTRONG: No; that is only as to maintenance of way. You will find further items of Injuries to Persons under maintenance of equipment and transportation.