

Mr. HEAPS: I think the minister himself perhaps realizes that in the United States it was the fact that there was certain legislation pending in the Congress which brought about the arrangement between the railways and the employees; and it was in order to offset the legislation in Congress in the United States that the employees and employers in the railways in United States got together.

Hon. Mr. HOWE: I do not know that that is exactly a fair statement. The legislation was not pending. A committee had been appointed to examine the situation, and they were holding the hearings when this agreement was made direct between the railways and its employees. That is a correct statement, I think.

Mr. WALSH: Can we assume from this report that the operating cost of the Canadian National Railway was lower this year than it was for, say, the year 1933?

Hon. Mr. FULLERTON: Yes.

Mr. WALSH: We may draw that conclusion from this report, that the operating costs were actually lower?

Hon. Mr. FULLERTON: Yes.

Hon. Mr. HOWE: I do not think that is a fair statement.

Mr. WALSH: Is that a fair statement?

Mr. KINLEY: No. It cost six or seven million dollars more.

Hon. Mr. FULLERTON: The cost is greater on account of the increased traffic. The net is lower.

Mr. HEAPS: Could we say the operating ratio was lower?

Hon. Mr. FULLERTON: The operating ratio. I have given the operating ratio there as between 1935 and 1933. It was lower.

Mr. HEAPS: It is lower?

Hon. Mr. FULLERTON: Yes.

Mr. WALSH: I do not know whether this question would be in order or not. You can correct me if it is not.

The CHAIRMAN: Do not ask it, then.

Mr. WALSH: There is a suggestion in this report in connection with political interference. Did you experience any particular aggression along that line at any time, even during the past few months?

Mr. HEAPS: The past few years.

Mr. WALSH: The past few years, yes. I do not want to restrict it, as casting a reflection upon any particular party or government.

The CHAIRMAN: Do you think that is a fair question. Why embarrass the president? He gave a very fair statement of the whole situation, and he has referred to the political situation. I think you should stop there.

Mr. WALSH: All right. There is one other question. I do not know whether it could be construed as coming into the report or not. The report suggests, or I read into the report, that the possibilities of co-operation have been fully explored and exhausted. That is not a correct statement, is it?

Hon. Mr. FULLERTON: That is not so. What report is that?

Mr. WALSH: In this report I hold in my hand.

Hon. Mr. FULLERTON: They are not exhausted.

Mr. WALSH: The possibilities are not exhausted. There is still a further avenue for exploration?

Hon. Mr. FULLERTON: Absolutely. We are working on it all the time.

Mr. WALSH: You think something further can and will be accomplished by the trustees along that line?