

Sir HENRY THORNTON: Yes.

Sir HENRY DRAYTON: Then it is a fairly serious clause.

Sir HENRY THORNTON: Maybe I can explain this now.

Sir HENRY DRAYTON: I would think that statement would be filed.

Sir HENRY THORNTON: You would like a detailed statement of how that money was spent?

Sir HENRY DRAYTON: A detailed statement, showing everything spent for advertising, publicity and stationery.

Sir HENRY THORNTON: In sufficient detail to explain it. Do you mean to say a matter of \$300 or \$400?

Sir HENRY DRAYTON: You need not bother about that.

Sir HENRY THORNTON: Can we get that? What Sir Henry (Drayton) wants, I think is, not in too much detail but to give him and the Committee an idea, an accurate idea of just where the money was spent and the purpose for which it was spent.

Sir HENRY DRAYTON: Under that heading, yes. Under these three headings, advertising, printing and publicity. I do not know what "publicity" comes under. It is a general item, included in general expenses.

Sir HENRY THORNTON: We will have to see what we can do with it.

Mr. STEWART: There are two more items I would like explanation on, 451 and 452. Perhaps "explanation" is not the word to use, but a general statement that would meet a certain amount of criticism that has been levelled at the company.

The CHAIRMAN: Which item is that?

Mr. STEWART: 451-452. This criticism has come from those who are not favourable to our Government owned roads, it is true, but criticism is along this line, that the policy has been to build a lot of fat jobs, to use a very commonplace term, or to get a lot of people into good salaries. These items would seem to limit themselves to such a criticism in view of the fact that salaries have increased 36 per cent plus, and those in the lowered salaried positions have increased only 4 per cent and I think Sir Henry (Thornton) could probably make a statement to clear up that situation.

Sir HENRY THORNTON: In the first place if you will take the bulk of our employees, engineers, firemen, conductors, brakemen, machinists, machinist foremen, telegraphers, two foremen, two men, men engaged in the maintenance of way and structures department, I should say that those were all members of various trade unions. They belong to railway trade organizations and the rates of pay and the working conditions are determined by negotiation with the heads of their particular organization.

Mr. STEWART: Might I just ask you here now, how broad is the application of that item 452, that is, does that include all of those you have mentioned?

Sir HENRY THORNTON: No, you will see when I have finished my statement, those whose rates of pay are determined by negotiation with the trade unions represent by far the largest proportion of our total staff, and therefor if there is any criticism that there has been no increase, proportionate increase in rate of pay, to those in relatively humble positions, the answer to that is that all of that is a matter of negotiation with the trade unions and we do not deal with the individual except in rare cases, and the trade unions look after the interests, the special interests of those whom they represent, and their interest can be, I safely say, left. Now, when you came to—

Mr. STEWART: Just before you go on from there I want to make it plain that I do not state I heard any criticism that those lower salaries had not been