

Mr. HUNGERFORD: It would be less?

Mr. ARMSTRONG: Definitely.

Mr. FAIRWEATHER: Very considerably less.

The CHAIRMAN: Gentlemen, we are putting the cart in front of the horse, I am afraid. We are discussing at the present time a summary of operating expenses. Shall we consider the details of all those accounts mentioned at the bottom of the page such as maintenance of way and structure, maintenance of equipment, traffic, transportation, miscellaneous operation, general, transportation for investments? Instead of going into all the details contained on pages 15, 16 and 17, I think we should consider the main headings, as we have already discussed part of the whole thing. Therefore, I will ask Mr. Armstrong to enumerate those five, taking first of all maintenance of way and structures, details on page 15. Are there any questions? On page 14 you will see a summary of operating expenses, maintenance of way and structures.

Mr. WALSH: Is there anything under that heading that would show the cost of operating the purchasing and store keeping department, or does that come in that?

The CHAIRMAN: Part of it.

Mr. HUNGERFORD: These figures are all incorporated in it.

Mr. WALSH: Or is it included in some of this account on maintenance of way and structures?

Mr. COOPER: The cost of the purchasing and store keeping department is first charged to a clear account, and then it is issued out as part of the cost of material, on a percentage basis; that is to say, if store expense is 5 or 6 per cent of the total purchases, we add 6 per cent to our material issues and in that way each material account is charged with that proportion of store expenses.

Mr. WALSH: You do not know what the actual cost of the purchasing department is?

Mr. COOPER: I have the information, but I do not have it here.

The CHAIRMAN: The first item is maintenance of way and structures. Is it carried?

Some HON. MEMBER: Carried.

The CHAIRMAN: Carried. The next item is maintenance of equipment, also on page 15. Is it carried?

Mr. WALSH: I wish to ask a question with regard to the item of superintendence on pages 15 and 16. Is there a certain proportion of headquarter's expense charged against each of these items of superintendence?

Mr. COOPER: Yes, but not very much at headquarters. In maintenance of way and structures, you would have the chief engineer and his office staff; and in maintenance of equipment, you would have the chief of motive power and his staff. But, generally, this expense is either regional or divisional.

Mr. WALSH: Where would headquarter's expense come? Under what item would it come?

Mr. COOPER: Well, for example, the expense of the chief of motive power is in the equipment superintendence account, but it is a relatively small proportion of that account. The main expense is what originates with the regional staffs.

Mr. WALSH: I have a letter here to which I want to direct attention. I notice, under maintenance of way and structure expenses, that rails, ties and other track material are mentioned. There is a person whose name I do not know—I have had hard work deciphering his letter—who was making some inquiries about a contract that was let. If I am asking for something that I should not ask for, or for information that should not be given, just say so