

being the difference between the reserves of the two years, which amounted to \$3,689,000, and the apparent difference in cost?

Mr. HENRY: I would like to check you on those figures.

Mr. COOPER: That is for the year?

Sir HENRY DRAYTON: For the year.

Mr. COOPER: \$295,781.

Mr. HENRY: \$298,781 is the exact figure.

Sir HENRY DRAYTON: So instead of anyone getting the idea that the locomotives have not been kept up as a matter of fact there has been just as much spent upon them except this sum of \$295,000?

Mr. HENRY: That is equipment generally.

Hon. Mr. GRAHAM: That is rolling stock.

Sir HENRY DRAYTON: Yes.

Mr. HENRY: In addition to that it is only fair to say there was a decrease in the average wage schedule of \$1,700,000.

Sir HENRY DRAYTON: That applies to all shop workers?

Mr. HENRY: Yes.

Sir HENRY DRAYTON: It applies to locomotives and everything else, and that was the general reduction made effective, I think, last—

Mr. HENRY: July, 1922. It had twelve months in 1923.

Sir HENRY DRAYTON: We get the benefit of the reduction in wages, which was \$1,750,000 in the maintenance account, \$750,000 of which was applicable to the freight car situation.

Mr. HENRY: I will just check that. I do not appear to have the exact figure, but I think it is \$700,000. \$700,000 is correct.

Sir HENRY DRAYTON: \$700,000. I have \$750,000, but it should be \$700,000.

Mr. HENRY: Yes, \$700,000.

Sir HENRY DRAYTON: For freight cars. Just so as to follow up the matter to its legitimate conclusion, if you look at the income account where the balance is worked out at page —

Mr. HENRY: Page 17. Is that what you mean?

Sir HENRY DRAYTON: Yes, page 17. There is an actual improvement shown at page 17 of \$6,262,422.84, being the difference in the net income deficit. Is that figure correct?

Mr. HENRY: That was of both years, \$6,262,422; that is correct.

Sir HENRY DRAYTON: Then we have our reserves exhausted, with the exception of \$801,000?

Mr. HENRY: No, there is \$1,600,000.

Sir HENRY DRAYTON: You gave me yesterday, reserves on this rolling stock of \$801,000 altogether.

Mr. HENRY: \$801,000 plus \$4,490,000 gives you \$5,300,000, and you take from that \$3,000,000—

Sir HENRY DRAYTON: No, you should not plus that. As I understood from your explanation of the account yesterday, you have on hand in this account a reserve which may be used next year of \$801,000.

Mr. HENRY: No. The \$801,000 represents the amount credited to the reserves and charged to maintenance of equipment during the first four months of 1923.

Sir HENRY DRAYTON: So that has gone, has it?

Mr. HENRY: No. There is in the reserve now, \$1,600,000.