

Hon. Mr. EULER: Is that the policy just now in connection with the Canadian National branch lines?

Sir HENRY THORNTON: It certainly is wherever we think it is a desirable thing to do,—not desirable but at least the only thing we can do.

Hon. Mr. EULER: Something like the Hudsons Bay railroad.

Mr. DUFF: They are not stopping that, they are going right ahead with it.

Mr. FRASER: I would like to ask a question about the Tete Jaune cutoff. You have not provided anything in this estimate for that?

Sir HENRY THORNTON: Can you answer that, Mr. Gzowski?

Mr. GZOWSKI: The Tete Jaune cutoff was designed originally for two purposes, one was to act as a double track through the heavy grade sections of the mountains and the other purpose was that, in addition, it could be used for a cutoff for the movement through Prince George and Vancouver without going up the steep grade through Redpass Junction. On our final surveys we discovered in order to get the best lines between the low grades between Prince George and the Vancouver movement that we could use very little of that line in the double track proposal, and in view of the lack of business in 1929, and in view of the Peace River outlet question, it was deemed advisable to leave over in abeyance—as a matter of fact, the real necessity for the double track was not there with the decreased business in 1929, so the expenditure was not made of course.

Mr. DUFF: There has been no expenditure at all on the line referred to by Mr. Fraser. That is in a little different position. What will happen as far as the contractors are concerned, if this line is not proceeded with? Will they have an action for damages against the railway.

Mr. GZOWSKI: They will have a claim for compensation in connection with the equipment for track laying and ballasting which was only partly used and had to be taken in and had to be taken out.

Mr. DUFF: If they stop the work and they take this equipment away and have to bring it back again will not that mean that it will cost the railway a large sum of money.

Mr. GZOWSKI: It will cost more. I do not know what the amount will be.

Mr. DUFF: Can you give me any idea how much it will cost? Will it cost \$200,000 more.

Mr. GZOWSKI: I should not think anything like that.

Mr. DUFF: But it will cost something. They will have to be paid for taking the equipment away and bringing it back.

Mr. GZOWSKI: Yes.

Mr. HACKETT: Do you say that the amount provided by Statute was \$500,000.

Mr. GZOWSKI: Yes, plus 15 per cent.

Mr. HACKETT: That is \$525,000 in excess of the \$3,500,000.

Mr. GZOWSKI: Yes.

Mr. HACKETT: Then you estimate that it will require \$750,000 in excess of the \$4,025,000.

Mr. GZOWSKI: No, sir. I was asked how much it would take to finish it beyond the \$1,000,000 appropriation this year. The amount provided in the Bill was \$3,500,000 plus 15 per cent. Our estimate at the present time figures we can do it for that amount of money.

Mr. HACKETT: I understand that there has already been provided two and a half million and there is another million.

Mr. GZOWSKI: That was the end of 1930.