

Mr. FAIRWEATHER:

CANADIAN NATIONAL RAILWAYS

STATEMENT OF ESTIMATED FINANCIAL REQUIREMENTS, RESOURCES AND
CAPITAL EXPENDITURES FOR THE YEAR ENDING DEC. 31, 1931

Net income requirements after interest (Exhibit "A")	\$31,367,882 56
Other financial requirements—	
Retirement of capital obligations including sinking fund and equipment principal payments (Exhibit "D")	9,299,613 44
Acquisition of securities of Canada West Indies Hotel (Exhibit "E") . .	150,000 00
Net financial requirements.	\$40,817,496 00

Mr. DUFF: Do we not take them up item by item? Had we not better do that? Why read them all off and then go back?

The CHAIRMAN: We will go through each page and then go back and clean it up. We will go back to the individual items.

Mr. FAIRWEATHER:

General additions and betterments less retirements (Exhibit "F")	\$20,604,663 00
Discount on securities to be issued (Exhibit "Q")	3,500,000 00
Proposed new equipment issue series "M" (Exhibit "R")	3,939,200 00
	\$68,861,359 00
Less to be provided out of C. V. Ry. Inc. Working Capital	361,359 00
Net requirements to be voted for 1931	\$68,500,000 00
Eastern Lines Requirements—	
Government Contribution Maritime Freight Rates Act (Exhibit "S")	\$2,450,632 00
Deficit from operation (Exhibit "S")	6,631,856 00
	9,082,488 00
Equipment Trust Series "M" (Exhibit "T")	11,100,000 00
Authorized by Statute—	
Branch lines (Exhibit "U")	\$4,550,000 00
Toronto viaduct, ch. 46, 20-21 Geo. V, 1930	2,550,000 00
Montreal terminals, ch. 12, 19-20 Geo. V, 1929	8,000,000 00
St. John & Quebec railway purchase, ch. 17, 19-20 Geo. V, 1929	250,000 00
Northern Alberta railways, ch. 48, 19-20 Geo. V, 1929 . .	176,486 00
	15,526,486 00
Total net requirements.	\$104,208,974 00

Mr. FRASER: When was this estimate prepared, how long ago?

Sir HENRY THORNTON: Well, of course, we have been working at it ever since the latter part of last year. We began along in November to gather the information with respect to the estimates for the year, and we tried to get it in final shape after consultation with the Minister, and the approval of our boards, and so on, in time to be presented to Parliament.

Mr. FAIRWEATHER: Of course, it has been revised from time to time. I think it was finally approved by the directors some time early in April.

Sir HENRY THORNTON: Of course, we started mind you before the end of the year. Then about the first of the year we thought that certain such figures were safe; but the business situation and the earnings of the company went from bad to worse, and an estimate that was made to-day was not any good to-morrow. Things changed with such rapidity and finally, somewhere along early in April we had to settle down and had to take a chance on something and then this estimate was at that time presented.

Mr. FRASER: What I had in mind was this, Sir Henry: The total requirement you are asking for is \$104,000,000. With the experience you have had, with six months behind you, is that considered to-day all that you will require?

Sir HENRY THORNTON: No, I do not think so, excepting I think it is only fair to say this: although it may appear a somewhat slender reed to lean upon we have been considerably disappointed—and I think all railway executives on