

Q. Your attitude would be that the Government ought to be a party to any new capital commitments?—A. They should at least know about it.

Q. A party to the matter, knowing about the matter, I mean before they are committed. The Government surely ought to be told what is contemplated and given the opportunity of saying, "No".—A. Certainly, as regards every important transaction, but when you speak of capital commitments you are going a little far too because the building of a station is a capital commitment. We might decide to tear down the building comprising the station to-morrow at London and put up another one.

Q. I think you ought to, in the interest of the travelling public, tear down the station and I think if you put some of this money in there it would be much better for the Canadian people?—A. I would also agree with that.

The CHAIRMAN: Mr. Ruel hardly has charge of the matter of policy in regard to all these things.

Sir HENRY DRAYTON: I am just trying to find out where Mr. Ruel wants this to go. He wants to qualify the capital commitments. We have a qualification as to the stations, which, I think, is pretty well looked after, but apart from stations, what else?

*By the Chairman:*

Q. Is the company restricted in any respect other than that of the purchase of land or the sale of land? Are they restricted in any other way beyond the power perhaps to make the financial arrangements?—A. No.

The CHAIRMAN: It seems to me that would cover it.

Mr. KYTE: That does not suit Sir Henry (Drayton).

Sir HENRY DRAYTON: After that Mr. Ruel said that in his view the Government should be consulted.

The CHAIRMAN: But not under the law. They are not obliged to. That is a matter of opinion.

Sir HENRY DRAYTON: It is more than a matter of opinion. It is a matter of what should be done. If the man who was in charge of the legal end of this thing has no opinion it is all right.

Mr. KYTE: He has opinions as to the law but not as to policy.

WITNESS: I said the Government should be consulted in all important transactions and I still stick to that.

The CHAIRMAN: Very good.

*By Sir Henry Drayton:*

Q. The company had no liquid assets of its own?—A. Yes, it had.

Q. What?—A. Tolls, rates and fares, coming in every day.

Q. They are insufficient to discharge their obligations?—A. It does not change the legal situation. You use your liquid assets for the payment of your wages. It is the same thing.

Q. It is the same thing, using your liquid assets for the payment of your wages, as it is in purchasing the Scribe Hotel?—A. In one case they would have consulted the Government. In the other case it is not necessary.

Q. Your answer was not quite correct. It is not the same according to you.—A. I am just making a slight variation. It is the company's money, notwithstanding the fact that there is a deficit. If we were an ordinary shareholder of the company the Board would act exactly as the C.P.R. Board would act, and the C.P.R. Board would not consult the shareholders in a case of that kind. I do not think Mr. Robb, of the C.P.R., would let anything go if anything