

Sir HENRY THORNTON: Incidentally, if it was found that we could go lower than that, we would come down as low as we could without interfering with efficiency and economy.

The CHAIRMAN: The thought behind this, Mr. Hungerford, is, if the principle is good for capital expenditure, it ought to be good for current expenses. That is the thought behind it, without, however, in any way desiring to hamper the operations of the railway. I am sure that is in the mind of everyone of us.

Mr. SMART: I think you are quite right. The principle thought was to try to get some workable basis on which to try it out, and not leave the whole thing altogether to chance.

The CHAIRMAN: I know you have to experiment.

Sir HENRY THORNTON: It is pretty hard in an enterprise of such magnitude to hit upon a scheme of this sort which you are absolutely certain, before you try it, is going to work; and this plan that is now in operation was an experiment to see how it would work, and if it worked successfully, then to reduce the amount of contracts reportable to the lowest practicable minimum.

The CHAIRMAN: Now then, Mr. Grant, you are the vice-president in charge of finance, and we think we ought to have your views in this matter.

Mr. GRANT: Well, the principle is quite sound, so far as the finance end is concerned.

The CHAIRMAN: There is no objection to it from your department?

Mr. GRANT: No objection from the financial point of view at all.

Mr. HEAPS: Who is the finance committee, by the way, Mr. Chairman?

Mr. CHAIRMAN: According to section one of the bylaws, the finance committee consists of three members of the board, namely the president of the company, who shall be the chairman of the committee, the director holding the position of Deputy Minister of Railways and Canals, and the director holding the position of vice-president in charge of legal affairs of the company; that is to say, the president, the Deputy Minister of Railways, and the general counsel of the company.

Mr. SMART: May I point out, Mr. Hanson, that the committee have to be unanimous; it is not passed on a vote.

The CHAIRMAN: I did not read that section. There must be an agreement. That, of course, is a further safeguard.

Hon. Mr. CHAPLIN: Two out of three will not carry an expenditure. It must be unanimous.

Sir HENRY THORNTON: That is right.

The CHAIRMAN: That is a further safeguard.

Sir HENRY THORNTON: My recollection is—the Minister may correct me if I am wrong—that was thought desirable at the time.

Hon. Mr. MANION: Yes. It was all discussed with myself and through Sir Henry Thornton, the Deputy and myself various times. In fact, it was discussed, I should think, two or three months before it was passed. We were favourable to it before they got it down to what they thought was a favourable basis, and we passed an order in council putting it into effect.

Mr. POWER: Following up the question of the Minister, or the suggestion of the Minister about too much work on this committee, and setting up another committee to do the work, in how many instances were purchases of \$25,000 made by the committee?

Sir HENRY THORNTON: I cannot answer that except in this way, that I do not think the number of cases to be dealt with would be of such a character that they could not be dealt with by the present finance committee. I think it is a