

Sir HENRY THORNTON: The only way I can answer that question is in this way: that up until the present year we were obliged to incur enlargements, quite large capital requirements in order to bring the transportation machine known as the Canadian National Railways into a reasonable state of efficiency. Now, the major part of those expenses is behind us. I should say that the trend of capital expenditures on account of additions and betterments for the next five years will certainly be less than the preceding five years, or the five years just past. The trend of capital expenditures on this account should be decreasing rather than increasing.

Mr. MCGIBBON: Could you make a guess as to what they would be annually?

Sir HENRY THORNTON: That is a pretty difficult thing to do off the bat, Doctor, without giving it some thought. I would much prefer before answering that question to discuss it with Mr. Hungerford and some of the others.

Mr. MCGIBBON: That is quite satisfactory. What I had in mind—

Sir HENRY THORNTON: I do not want to give a running jump estimate which might turn out to be inaccurate. In any case it is a difficult question to answer.

Mr. MCGIBBON: To my mind, the thing that has caused me a lot of worry in regard to rapidly increasing operations is the fact that there is only so much business to be done in the country, and it does not look as though, within the next five or ten years, it will increase very much outside of general betterments, now taking the large capital expenditures present, how far would you say it would increase that with reasonable safety?

Sir HENRY THORNTON: I do not think we ought to spend anything on capital expenditure not absolutely essential during the present period, or, in fact, at any time at all until we get into a position which will enable the Canadian National Railways to carry the interest on its capital investment with reasonable safety to the finances of the Dominion. You expressed anxiety, and I can quite understand your anxiety, and I can assure you and every other member of the committee that the officers and myself share that anxiety.

Mr. MCGIBBON: I have not any doubt at all.

Sir HENRY THORNTON: I think it is only fair to say also that because there have been certain capital expenditures in the last eight years, that those capital expenditures are not going to proceed on anything like that scale for the next eight or ten years, because a great deal of this work which is represented by capital expenditures is over and behind us. The condition is very much like that of a man who has a house in a state of partial dilapidation, and he has to spend a little money to put it in a better state. He does that with the feeling of confidence that for ten years he will have a holiday; he will not have to make many repairs in his house.

Hon. Mr. EULER: Will that apply to the Montreal terminals? I think you have an item of \$8,000,000?

Sir HENRY THORNTON: That is another thing which is a statutory appropriation, and that, of course, will have to continue. In that connection, when that is completed, as I have said before, and will repeat again, that investment will more than carry itself with reduction in expenses, and increased savings. There are many who disagree. There are some that look at \$50,000,000 and say that is \$50,000,000; it is spent, and you will not get a penny back. Most of them think of a large and handsome passenger station which will bring no return. On the other hand, I have tried to point out that there are certain very definite economies which will result from the construction of that station.

Hon. Mr. EULER: I think it would be interesting to have a little information on that.