

Mr. HENRY: Prior to the consolidation the practice of the Canadian Northern or, rather, the Canadian National with the exception of the Grand Trunk, was to budget their expenditures or their proposed expenditures over the year for rails and ties and charge them into the account during the months regularly throughout the year. On the old Grand Trunk the practice was to charge in during the month in which the expenditure took place. Generally speaking, that is the explanation for the drop in those two months. I think that is all.

Sir HENRY DRAYTON: There was a change made in the system of accounting at the end of October?

Mr. HENRY: No, the change in the system of accounting was made as of May, but it had this effect by reason of the fact that in the month of October there was nothing charged on this account, because nothing was done.

Sir HENRY DRAYTON: Then in December—

Mr. HENRY: The same thing would apply.

Sir HENRY DRAYTON: In other words, during those months of November and December, to use your expression, nothing was done?

Mr. HENRY: What I had in mind was that nothing was done in the way of renewing ties or putting in rails.

Sir HENRY DRAYTON: That makes a total saving for the year, although we were ahead down to that date almost \$1,000,000, practically \$1,000,000 on that account. That was the effect of that.

Mr. COOPER: No, \$841,000.

Mr. HENRY: \$841,000.

Sir HENRY DRAYTON: Then we will go on to the next item—

Mr. KYTE: May I ask one question?

Sir HENRY DRAYTON: Surely.

Mr. KYTE: Is it usual to lay rails and ties in these months?

Mr. HENRY: It is not, for the reason you cannot get labour in those months; labour is otherwise employed, and it is the best possible practice to do that work starting early in the spring and completing it, if possible, around the first of September; if that can be done.

Mr. KYTE: Were there as many rails and ties laid for these months as in the preceding year?

Sir HENRY DRAYTON: Be fair to the witness. Sir Henry (Thornton) said there were a million less ties laid. We want to be fair to these people.

Mr. KYTE: I want to get this explanation.

Sir HENRY DRAYTON: If he says it is just the same, he is falling into my hands.

The CHAIRMAN: Mr. Kyte, what was your question?

Mr. KYTE: As a matter of fact, I want to know if there were any ties laid in the corresponding months of the preceding year.

Mr. HENRY: (To Mr. Brown) Would there be?

Mr. BROWN: No. They stopped tie and rail renewals on account of the frost.

Sir HENRY DRAYTON: That was covered by the previous explanation. They struck a monthly average, and now the system is to charge them into the work.

Mr. STEWART: May we ask Sir Henry (Drayton) about these figures? He said he would file them with the reporter. Do they run for the whole year month by month fairly equally?