

Mr. HANSON: Having regard to your financial condition this year, would it be possible to divert that?

Sir HENRY THORNTON: We do not think so. That is largely a technical question. Our engineering officers are not prepared, nor is the vice-president in charge of operations, to take the responsibility of continuing that one hundred pound rail track. I would like you to hear a brief statement from Mr. Hungerford on this matter. After all, he is the head of the operating department, and is primarily responsible for it.

Mr. HUNGERFORD: I think the committee should clearly understand that in re-laying steel, we only do so when the old rail is worn out for that particular class of railway. We are not making the change for a changes' sake, but, because the old rail is no longer serviceable for that class of service. These things are gone over very carefully; and I would like to say this in regard to the item constituting the total for the Central region budget that Sir Henry referred to as being the original budget—that is residue—this is boiled down through the requests that come to us, in the first instance, for millions of dollars more. The first figure will be shown on the preceding budget, and represents what we first boiled it down to. Then subsequently when the financial condition became worse, we cut it still further; but the reversal of rail that is provided for in the budget is undoubtedly required.

Hon. Mr. EULER: Is the same true of the million and a half item for subways, or is that something that one might say might be diverted without any great disadvantage to the road?

Mr. HUNGERFORD: In practically every case they are covered by orders of the Board of Railway Commissioners. We are compelled to put them in.

The CHAIRMAN: In this one hundred and thirty pound rail partly due to the faster trains that are being moved over this particularly fast road?

Sir HENRY THORNTON: No, it would have to be renewed in any case; but I may say that the American railway technical men figure on an economy of five hundred dollars per annum per mile of rail of one hundred and twenty pounds rail per yard, as compared with one hundred pound rail per yard. That is to say, a stretch of track laid with one hundred and twenty pound rail as compared with that same stretch laid with one hundred pound rail results in an estimated economy of five hundred dollars per mile. Of course, on lines where there is a density of traffic such as you have between Toronto and Montreal,—

Mr. HANBURY: And taking into consideration the investment.

Mr. HUNGERFORD: I would like to add for the information of the committee that this one hundred and thirty pound section was decided upon jointly with the Canadian Pacific for heavy main line requirements, and we agreed upon a uniform standard, and they are proceeding to utilize this rail under similar conditions.

Hon. Mr. MANION: The question has come up many times and will come up many times more—Mr. Duff has brought it up in regard to the Guysboro Railway, and others will bring it up in connection with other capital expenditures—about certain things being cut off. Sir Henry has explained to you that the figures are given here. They were originally at a higher figure, but they gradually cut them down. I may say that in the cutting down of these figures the government was wholly in accord with the railway management, because the government felt that \$104,000,000 of expenditure for the railway were at least sufficient for one year under the present circumstances. I may say further that so far as the cutting down was concerned, it was done by the railway officers themselves in a large measure, and practically altogether. It was not done on political grounds at all. I just mention this because, from time to time, somebody will question this, and I am sorry to say I may not be here to-morrow.