

Sir HENRY THORNTON: The original budget was submitted. Some question was raised touching on it at a previous meeting as to whether the executive officers of the railway company exercised any supervision or restraint with respect to requests for capital requirements over the regions, and I ventured to put down here an exhibition of that restraint. The budget was originally submitted, and it represented what the region regarded as its minimum requirements—\$7,969,000. The executive officers at Montreal reduced that by \$2,000,000 approximately; so that the budget as it now stands for the Central region, and which is before you, is in round figures, \$6,000,000.

Mr. HANSON: I think I was the one who suggested that.

Sir HENRY THORNTON: I do not want to lay that at your door particularly.

Mr. HANSON: I am not ashamed of the suggestion.

Sir HENRY THORNTON: I am not ashamed of the result either.

Mr. HANSON: I am going to go a little further. You had originally a budget of \$30,000,000 capital expenditure for additions and betterments for the year 1931?

Sir HENRY THORNTON: That is right.

Mr. HANSON: I am assuming that in any great organization such as a national railway there will always be some capital expenditures?

Sir HENRY THORNTON: That is true.

Mr. HANSON: . But having regard to the fact that we have a vote of sixty-eight and a half million dollars for the annual requirements for 1931 which will be exceeded by \$10,000,000—at least I have heard that—and that the total net requirements over and above your income will be \$104,208,000—perhaps \$10,000,000 more than that—is it not possible to cut this still more for this year?

Sir HENRY THORNTON: I suggest in answer to that you turn over to the next page where you will see the details of that amount that has been requested, namely, some \$6,000,000, and go over item by item, and we will discuss it, and you can see how you feel about it. All I can say is that the total capital budget for the Central region of approximately \$6,000,000 represents the minimum which the executive officers and myself think we can safely go to. Now, this committee may think differently; at any rate there is each item exposed on the following sheets. They have been gone over carefully by the engineering and executive officers, and they represent the recommendations of the railway company. I may say also that naturally and quite properly all of this was discussed with the department.

Mr. MacMILLAN: At what time in the year would the figure \$7,969,205 be received by the head executive?

Sir HENRY THORNTON: I should say in the first two months of the year.

Mr. MacMILLAN: The reductions would be arrived at at what time?

Sir HENRY THORNTON: About April.

Mr. GRAY: Is this the proper place to talk about certain capital expenditures? Might I ask what is the cost of the London Terminal station?

The CHAIRMAN: I would prefer very much if you want to go into the details of this to start at the beginning.

Mr. GRAY: We are doing it.

The CHAIRMAN: I did not think London came in?

Mr. GRAY: Yes. It is the Central region.

HON. Mr. EULER: We are following your plan, I think Mr. Chairman.

Mr. HEAPS: Mr. Chairman, if we could get a rough idea as to how this \$5,973,000 is made up?

Sir HENRY THORNTON: It is all on the following page.