

ties are concerned, the ties that we would use in that territory would be jack-pine ties, and they would be cut in the territory.

The CHAIRMAN: Carried.

Clause 3.

Carried.

Clause 4.

4. Subject to the provisions of this Act and the approval of the Governor in Council, the Company may, in respect of the cost of the construction and completion of the railway lines, or to provide amounts required for the repayment of loans made under section 5, issue notes, obligations, bonds, debentures or other securities (in this Act called "securities"), not exceeding in the aggregate, exclusive of any securities issued to secure loans made under section 5, the sum necessary to provide the Company with the net amount of forty-four million five hundred and sixty-two thousand five hundred dollars, bearing such rates of interest and subject to such other terms and conditions as the Governor in Council may approve.

Mr. GREEN: On clause 4. This is the clause which provides the sum of \$44,562,500, although the total in the schedule is, I think, \$38,750,000. I am not clear yet as to why this large amount is contained in clause 4. There was some attempt at explanation in the House to the effect that it had been brought about by the reason of the power in clause 3 to exceed the estimates by 15 per cent, but I want to point out to the committee that in these other branch line bills, such as Terrace-Kitimat and Sherridon-Lynn Lake, and I think the other one in Quebec, the amount provided for in the statute was the amount set out in the schedule. In the Lynn Lake extension there was a difference of some \$4 million or \$5 million that was accounted for by the fact that the Department of Defence Production was paying that amount and parliament did not have to give the authority in the Act. It looks to me as though this clause 4 is wrong, and that it should have \$38,750,000 instead of the larger figure.

Hon. Mr. CHEVRIER: When the hon. member for Quadra raised this point in the House, I gave the following explanation, namely, that the estimated amount of expenditure as appears in the schedule of the bill was \$38,750,000, and that clause 3 provides that these estimates may be exceeded by not more than 15 per cent, and that if you add 15 per cent to the \$38,750,000, you then get \$44,562,000, as set out in clause 4. That is the explanation that I thought was the one that should be given. Since then I have inquired, and I am told that that is the explanation, that it may be necessary to go beyond \$38 million. It has not been as a rule, with the estimates of the Canadian National Railways, which are fairly close, but in case it should be necessary for the C.N.R. and the government to get authority from parliament to go beyond the \$38 million, this is provided, in other words, so that it will not be necessary to come back here. If that is not clear, perhaps we could get further explanation from counsel for the Canadian National Railways, but I think that is the explanation.

Mr. GREEN: I would point out that the Terrace-Kitimat bill is exactly the same in regard to the clause providing for an excess over estimates of 15 per cent, and I think to the amount of money involved. There the Act contains the same figure.

Hon. Mr. CHEVRIER: The same figure, and I suppose that is the same case in the other two bills too.

Mr. GREEN: I think all three are the same. There has been a change made in the type of legislation, and I would like to know why that change is made. What happened to bring about that result?