

Hon. Mr. DANDURAND: I will give my right honourable friend the details. As honourable members are probably aware, the officials of the Canadian National Railway system appear each session before the special railway committee of the other House to render an account of their administration during the last twelve months and to advise the committee of the needs of the system for the ensuing twelve months. Details of the items which I am now about to give were examined and approved by that special railway committee.

By paragraph (b) of section 2 the following are classed as "authorized expenditures":

Additions and betterments including co-ordinations and acquisition of real or personal property, not exceeding \$17,669,000 estimated as follows:

General additions and betterments..	\$13,854,994
Less: Equipment retirements.. . . .	8,754,994
	\$ 5,100,000
New equipment purchases.. . . .	9,129,000
Acquisition of securities.. . . .	3,440,000
	\$17,669,000

These are the details of the \$13,854,994 for general additions and betterments:

Atlantic region.. . . .	\$ 889,421
Central region.. . . .	2,007,974
Western region.. . . .	3,223,145
Grand Trunk Western Railroad Company.. . . .	707,335
Central Vermont Railway, Inc.. . . .	130,492
Hotels.. . . .	1,935,000
Montreal terminals development.. . .	2,420,000

My right honourable friend will recall that upwards of \$12,000,000 has been mentioned as the amount to be expended on the Montreal terminal plan, 40 per cent of which will be allotted by the Government from relief funds in order to provide work for the unemployed. This sum of \$2,420,000 is to cover for the first year expenditures which will extend over a period of three years. These are the further details:

Prince Edward Island car ferry and terminals.. . . .	\$ 33,400
Subsidiary companies.. . . .	216,483
General, including additions and betterments to equipment.. . . .	2,291,744
	\$13,854,994
Less equipment retirements.. . . .	8,754,994
	\$ 5,100,000

New equipment purchases.. . . . \$ 9,129,000

These are the particulars of the purchases for 1939.

Hon. Mr. BLACK: Before the honourable gentleman proceeds I should like to ask a question. I do not see how we can treat the \$8,750,000 as a credit. I can conceive how it is done by book-keeping, but surely the total expenditure is just that much more than is

shown in the statement. In other words, the total is not \$25,800,000, but \$34,500,000. Perhaps my honourable friend will explain.

Hon. Mr. DANDURAND: The total cannot be more than the \$25,800,000 odd which the Bill authorizes. I would direct my honourable friend's attention to this proviso in section 2:

Provided, however, that for such purposes the aggregate principal amount at any one time outstanding of the securities which the National Company is hereby authorized to issue from time to time shall not exceed the sum of \$25,821,707, being the total of the items hereinbefore set out.

Hon. Mr. BLACK: I am aware of that. But why is there a debit of \$13,000,000 and a credit of \$8,000,000?

Hon. Mr. DANDURAND: I will see if my notes contain an explanation. I was about to give details of the \$9,129,000 for new equipment purchases for this year. They are as follows:

New equipment purchases, 1939.	
Canadian National Railways	
Freight cars—purchased or built:	
2,000 box cars	
25 steel underframe caboose cars	
Passenger cars—purchased or built:	
5 mail and express cars	
10 baggage cars	
100 refrigerator cars	
Work equipment—purchased or built:	
1 Jordan spreader	
1 steam crane	
1 locomotive crane	
Grand Trunk Western Railroad	
Work equipment—purchased or built:	
1 50-ton steam crane.	
Units, 2,144—Total estimated cost, including sales tax and inspection charges, for 2,144 units.. . . .	\$9,129,000

Here are the details respecting acquisition of securities, Canadian National Railway portion:

Vancouver Hotel Company—working capital, joint with C.P.R.. . . .	\$ 100,000
Northern Alberta Railway Company—general additions and betterments, joint with C.P.R.. . . .	3,220,000
Chicago and Western Indiana Railroad Company.. . . .	120,000
	\$3,440,000

Section 3 of the Bill provides:

The Minister of Finance, with the approval of the Governor in Council, may make temporary loans to the National Company out of the Consolidated Revenue Fund for the purpose of meeting authorized expenditures, bearing such rates of interest and subject to such other terms and conditions as the Governor in Council may determine and secured by securities which the National Company is authorized to issue from time to time under the provisions of section two of this Act, upon applications, approved by the Minister of Transport, made from time to time by the National Company to the Minister of Finance, for such