

An Hon. MEMBER: I suppose these are all guaranteed by the government.

Sir HENRY THORNTON: The equipment bonds are not guaranteed.

Mr. FAIRWEATHER: The issue made in June, 1930, of \$50,000,000 was sold at a cost to the company of 4.93 per cent. I think that answers your question.

Hon. Mr. EULER: That was the discount.

Mr. FAIRWEATHER: It was the equivalent of 4.93 per cent.

Sir HENRY THORNTON: That is the yield. They sold at 97.31. I may say that, of course, those sales were made as the result of competitive bids.

Hon. Mr. EULER: Well, that is, they bore 5 per cent. They did not sell at a discount.

Mr. FAIRWEATHER: No, sir. The issue of February 1st 1930, we received 5.12.

Hon. Mr. EULER: That was a premium.

Mr. FAIRWEATHER: I am sorry. There was a discount.

Hon. Mr. EULER: You are paying 5 per cent.

Mr. FAIRWEATHER: Yes.

Mr. McLAREN: \$18,000,000 were sold, fifteen and a half million at 98.086, and two and a half million at 99.10.

Mr. HANBURY: Are those bonds callable?

Mr. GRANT: The \$60,000,000 bonds are callable, in twenty years.

Sir HENRY THORNTON: I think they all have a callable feature.

Mr. GRANT: All the longer term bonds issued recently are callable.

Mr. HANBURY: Are they all payable in New York?

Mr. GRANT: They are payable in Canada, New York, and London, England.

Mr. KENNEDY: Does that mean that the holders elect where they will accept payment?

Mr. GRANT: Yes. They are payable in Canada, New York and London, England.

Mr. KENNEDY: According to the choice of the holder.

Mr. GRANT: The holder of the bond has that option.

Mr. FAIRWEATHER: The balance of the change in this account, \$1,140,141, is due principally to certain funded securities being retired during the year. Separately operated properties (loss) has already been dealt with.

The principal items showing decreases are:—

Hire on Freight cars—Debit Balance	\$3,160,137
Interest on Unfunded Debt	652,576

The decrease in hire of freight cars was due to the greatly decreased number of foreign cars received from connections on account of the business depression, also to the increased despatch given foreign equipment and to an increase in System owned equipment. The progressive improvement which has taken place in the Company's Freight car equipment, through the replacement of obsolete cars with modern cars, has resulted in a substantial economy. The extent of this program may be seen from the following figures:—

	Cars Scrapped	New Cars Purchased or Built
1923	1,875	6,964
1924	1,649	2,492
1925	2,506	787
1926	2,540	127
1927	2,165	3,072
1928	4,119	360
1929	3,576	6,758
1930	3,156	4,934