

Honourable senators, I think I have dealt with some of the more important issues in the bill. If I were to go into a lengthy explanation I would only succeed in wearying the house and in confusing myself. In summary form I can say that the substantial provisions of the existing statutes, which are contained in Schedule E, have been carried through. They have been simplified and clarified in order to conform to the practice which has developed over the years. In some instances where practice has shown that improvements can be made, the existing provisions have been amended.

Honourable senators, as the bill is going to committee, where we shall hear from some of the Treasury officials, I do not think it is necessary to give any further explanation at this time.

The motion was agreed to, and the bill was read the second time.

REFERRED TO COMMITTEE

Hon. Mr. Robertson moved that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 45, an Act to authorize the provision of moneys to meet certain commitments for new equipment incurred by the Canadian National Railways System during the calendar year 1951, and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railway Company.

He said: Honourable senators, this bill would provide authority for the financing of railway equipment ordered in 1951. It may be recalled that in the Financing and Guarantee Act passed at the end of last session authority was granted to the railway company to incur commitments for the acquisition of new equipment in the amount of \$111,512,920. It is now anticipated that \$55,581,816 worth of new equipment will be delivered before next June 30, when next year's Financing and Guarantee Act can reasonably be expected to have received Royal Assent. This sum of roughly \$55½ million covers the cost of 74 diesel units of various type and 6,415 cars of varying specifications.

May I point out just here that there is a difference between authorizing commitments, as we did last year, and authorizing payments for them. Had the time taken to deliver various equipment been as long as was anticipated, the probability is that payment

for these diesel units and the cars could have been postponed until next session's Financing and Guarantee Act had been passed. But for various reasons it has been found possible to get delivery of equipment much earlier than expected, and so it is necessary now to authorize the expenditure of what it is thought will be a sufficient sum to pay for equipment received by the railway before June 30 next.

In briefly summarizing the provisions of the bill, I might say that section 3 authorizes the railway company to make expenditures to meet commitments that have been incurred in 1951 for the acquisition of new equipment in the amount of \$55,581,816. Section 4 permits the company to issue securities to the public to provide funds for the payment of the equipment delivered, subject to the approval of the Governor in Council. The amount, of course, is limited to \$55,581,816. Section 5 authorizes His Majesty in right of Canada to guarantee any securities issued under section 5. A general guarantee is signed by the Minister of Finance: each bond of a guaranteed issue is signed by an officer of the Department of Finance designated in the Order in Council authorizing the issue. New bonds issued for transfers or exchanges are signed by an officer of the Montreal Agency of the Bank of Canada designated by the Minister of Finance. Section 6 allows the Minister of Finance to make temporary loans, limited to \$55,581,816, to pay for equipment. Section 7 gives authority to assist various companies comprised in the National Railway System. Some of the equipment being covered in this bill is for the Grand Trunk Western Railroad.

Hon. Mr. Burchill: I am not sure that I heard all that the leader said. May I ask if this sum which we are asked to vote now is in addition to the amount we authorized last session?

Hon. Mr. Robertson: No. Last session we authorized the railway company to incur commitments for the purchase of new equipment to the amount of approximately \$111,500,000. It was expected that it would take some years to secure the whole of this equipment, and that none of it would be delivered before June 30 next, by which time the annual Financing and Guarantee Act may be passed. But for certain reasons—perhaps the urgent need of the equipment, plus availability of necessary steel—it is now expected that about half of the equipment whose acquisition has been authorized will be delivered before June 30. This bill does not authorize any additional commitments; it simply provides moneys to pay for some of the commitments authorized last session.