

Hon. Mr. MANION: Yes, but it was not done between 1919—I had the figures here some little time ago—and 1923. There was quite a good deal of money advanced in cash then. Then from 1923 to date there has been very little advanced in cash. As I say, I had the figures here recently. I do not wish to give them from memory, although I think I could; but the only money that has been advanced, so far as my recollection goes, by the government in cash was \$604,000,000 which is in the balance sheet, and that was advanced between 1911 and 1930. Then the balance of the government account is entirely made up of interest or of government railways which they have handed over to the National Railways to administer. I do not think the government has ever issued straight bonds, except to guarantee them, and I presume the reason is because the hope was there that ultimately the railway would carry the interest itself.

Sir HENRY THORNTON: The one idea being that the state of the railways might be such as to enable them to guarantee without government guarantee.

Hon. Mr. MANION: That is what I mean.

Sir HENRY THORNTON: Mr. Heaps, I want to give you everything we can.

Mr. HEAPS: I appreciate all you have done in this matter, Sir Henry.

Hon. Mr. EULER: Mr. Chairman, it seems apparent that the government can borrow just a little more cheaply or more to the advantage of the country than the railway issuing their own bonds direct. If that is true, would it be worth while, or are there any great objections to giving consideration to the advisability of the government doing the borrowing. There may be some objections, I don't know.

Hon. Mr. MANION: There is a representative here of the Finance Department who might possibly give the committee a suggestion in that regard.

An hon. MEMBER: After all, it is a matter of government policy.

Mr. ROBERTS: It is entirely a matter of government policy. When we have surplus funds, under the statutory authority, we have made temporary advances to the railway. We try to operate as economically as possible in that respect. The other question is one of government policy. As Mr. Grant says it could be done much cheaper.

Sir EUGENE Fiset: Could you tell me if this year you have provided in Bill 79 for the government to advance loans to the Canadian National.

Mr. ROBERTS: Only temporary. The provision is that the railway can use the government guarantee; but if we should be able by reason of market conditions to tide the railway over a difficult period, why, we would have authority to assist it in that manner. But the idea is that guaranteed securities will be issued.

Sir EUGENE Fiset: It is a change in the system.

Mr. ROBERTS: No. I might explain to the committee the change in the system was brought about by reason of the fact that railway supply is not a part of government supply. It is aid to a corporation, therefore, it has really no place in the supply bill which is aid to His Majesty directly and, for that reason, practically the same provision that grew up under the old Act has now been embodied in those two statutes, one giving the railway authority and the other giving the Dominion authority to guarantee those bonds. One now takes its place in the statute rather than in an estimate.

The CHAIRMAN: I hope Mr. Roberts' statement will not start a political controversy on the whole question of government and railway loans. These charts, as I take it, show this, that where you can make a close examination there is a slight amount in favour of the government borrowing. Before the committee rises, I will ask them to put a sentence in their report covering any recommendation they may want to make in regard to this matter.