

Mr. HUNGERFORD: Yes. It is fully set out in the annual report.

Mr. BARBER: Are these new cars air conditioned?

Mr. HUNGERFORD: Yes, the new ones are.

Mr. BARBER: What does it cost to air condition a car—a car that was not air conditioned but has been in use?

Mr. HUNGERFORD: To air condition a new car costs anywhere from, perhaps, \$5,000 to \$9,000, depending on the character of the car.

Mr. BARBER: I have heard it reported that it costs as much as \$15,000; is that correct?

Mr. HUNGERFORD: Not in our experience.

Mr. BEAUBIEN: Do you air condition these cars in your own shops?

Mr. HUNGERFORD: We are doing some of it, and we are having some of that work done outside.

The ACTING CHAIRMAN: If there are no further questions we will pass from page 4 to page 5. "Retirement of Maturing Capital Obligations." Are there any questions on page 5? If there are not we will pass to page 6, "Canadian National (West Indies) Steamships Limited."

Mr. HANSON: Just one moment before you leave page 5. I notice railway bonds drawing interest at 7 per cent, and I see several drawing interest at 5 per cent. Is any arrangement made to have those bonds refinanced at a lower date of interest?

The ACTING CHAIRMAN: They are due January 1, 1938.

Mr. HANSON: They are not payable before that time, are they?

Mr. HUNGERFORD: No, not callable.

Hon. Mr. STEWART: It is a small amount of \$11,000,000 odd.

Mr. HANSON: That represents \$7,000,000.

The ACTING CHAIRMAN: Page 6. Are there any questions with regard to the West Indies service. If not, that completes that section of the report.

Hon. Mr. STEWART: We are going fairly rapidly.

The ACTING CHAIRMAN: We are doing pretty well.

Hon. Mr. STEWART: We have not had time to study these matters. I do not think we are in a position to ask questions just by looking at a page.

The ACTING CHAIRMAN: We will have plenty of time for questions.

Mr. HANSON: On page 6 I notice the item "Interest Requirements on 5 per cent 25-year bonds issued in 1930, Principal Amount \$9,400,000." They are not redeemable, are they?

Mr. McLAREN: What was your question, please?

Mr. HANSON: I was referring to that 25-year bond issue, 1930, \$9,400,000 at 5 per cent. Are they not redeemable? Could they not be redeemed at any time and refinanced at a lower rate of interest?

Mr. McLAREN: They are not callable.

Mr. HANSON: Is it the practice of the railway to issue long term bonds that are not callable?

Mr. McLAREN: We have issued securities that are callable, and some are issued that are not callable.

Mr. HANSON: Is it not a good practice to have them callable?

Mr. McLAREN: Personally, I would say it is a very good idea to have callable issues.

Mr. HANSON: What is the reason you are not doing it? Is it easier to sell them?

Hon. Mr. STEWART: It depends upon when you could sell them.