

sections, such as in Ontario, where it is not so good. I believe the time is coming when the old provinces, especially Ontario, should get some consideration with respect to equipment and betterments and all that kind of thing. I believe that charity begins at home. Why should we spend money on subsidiaries in central Vermont and other places in order to try to keep up with the Joneses, so to speak, with the Century Limited and all the special kinds of new cars we see on trains over there?

Mr. KIDD: Will the minister give an explanation of the first item in section 2? What is the \$18,000,000 for? Is there any way of breaking that down?

Mr. CHEVRIER: Yes. The \$18,000,000 is divided up with reference to the various regions of Canada as follows:

Additions and Betterments	1947 Budget
Atlantic region	\$ 1,912,944
Central region	7,420,829
Western region	3,878,047
Grand Trunk Western Railroad Company	2,476,568
Central Vermont Railway	333,362
Subsidiary companies	3,173,504
Express, telegraphs and other departments	3,157,068
Additions and betterments to equipment (Canada)	2,708,541
Equipment retirements	Cr. 2,060,863
	\$23,000,000
Less—Portion of projects included in the above requirements which will not be physically completed by December 31 each year	5,000,000
Total	\$18,000,000

(Translation):

Mr. GAGNON: Mr. Chairman, if I understood the minister correctly, there is no amount provided for improvements in Lake St. John and Chicoutimi districts.

Mr. CHEVRIER: There certainly is. The sum of \$1,912,000 will be expended in the Atlantic area.

Mr. GAGNON: Is it proposed to spend part of that amount in our district?

Mr. CHEVRIER: Yes.

(Text):

Mr. TOWNLEY-SMITH: Is it permissible to inquire what is constituted in additions and betterments? Does that include the building of new lines?

Mr. CHEVRIER: No. No new lines are provided for under additions and betterments.

Mr. FERGUSON: Are the government guaranteeing to any large extent the five per cent bonds of subsidiary companies?

Mr. CHEVRIER: This is a financial matter. I know of no bonds of the subsidiary companies which are being guaranteed. But the hon. member is perhaps familiar with the bill which the parliamentary assistant to the Minister of Finance had up I think last week, and again at the beginning of this week, concerning the issue of additional securities.

Mr. FERGUSON: Is the government guaranteeing the railway's bonds at five per cent? If so, could any of the bonds be bought back and floated at a lower rate of interest, considering the present interest rates, thus saving millions of dollars?

Mr. MAYHEW: The only five per cent bonds the government has are those of the Canadian National Railway Company. They are callable in 1949, and cannot be redeemed until then. They mature in 1969. Another one is callable in 1950 but matures in 1970. As I understand it, when these bonds are subject to call, it is the intention to call them, and that would be the end of the five per cent bonds. But that was taken up on the refunding bill.

Mr. FERGUSON: Is it the government's intention to float no more issues where the bonds are not callable for a long period, so that when low money rates come along they will not be tied to these exorbitant interest rates? That may bring a smile to the face of the hon. gentleman, but it is a pretty serious matter for the Dominion of Canada.

Mr. MAYHEW: I cannot tell what is going to happen in future, but certainly there is no intention of doing that at the present time. What we may be obliged to do five, ten or fifteen years from now I cannot say.

Mr. FERGUSON: The government can express its intention, and govern itself by future conditions. Its present intentions should be expressed now. No one but the government can express them.

Mr. MAYHEW: The last issue was 2½ per cent. It is our intention to keep the interest rate as low as possible.

(Translation):

Mr. GAGNON: Out of the figure just mentioned by the minister what specific amount is earmarked for the constituency of Chicoutimi?

Mr. CHEVRIER: There is no way of telling what it would be for the good reason that no separate accounts are kept for each constituency. I may say to the hon. member