

Canadian National Railways

of the year in which the state shall have acquired control of the entire right of way.	
Total cost of project to December 31, 1946	\$ 6,460,025.49
Payments to December 31, 1946— from 1934 to 1946—13 instal- ments	5,598,688.77
Balance unpaid at December 31, 1946	\$ 861,336.72
Two annual instalments at \$430,- 668.36 each	861,336.72
Provision in C.N.R. budget 1947 for 1947 instalment	430,000.00

Mr. MACDONNELL (Muskoka-Ontario): Thank you. I have one further question with regard to section 2. I should like the parliamentary assistant to look at the wording of the section. It sets out the amounts which can be borrowed to a total of \$46,723,000. Is there any provision for borrowing the money in other than Canadian funds? Is it the intention that there will be no right to payment in United States funds, or to borrow under a debenture which shall be payable either in Canada or in the United States?

Mr. MAYHEW: I am informed that there is no such intention. I would not think there would be, either.

Mr. MACDONNELL (Muskoka-Ontario): It is a matter of some importance. Do I understand clearly that there is no intention of issuing securities payable in other than Canadian funds?

Mr. MAYHEW: I am informed that there is no intention of issuing securities in other than Canadian funds.

Mr. MACDONNELL (Muskoka-Ontario): I presume it has been a matter of consideration and it has been deliberately decided against.

Mr. MAYHEW: I understand it has been approved by Finance. I think it will be found that over the years the government has not been borrowing money in other countries, and that the amounts are payable only in Canada.

Mr. MACDONNELL (Muskoka-Ontario): It has been the practice for some time now to have them payable only in Canada?

Mr. MAYHEW: Yes.

Mr. CHURCH: Section 2 of this bill which has to do with power to issue securities for capital expenditures, is as ancient as 1931. The marginal note opposite the preamble gives a list of enactments starting away back in 1931, and there are acts also in 1932, 1933, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942,

[Mr. Mayhew.]

1943, 1944, 1945, 1946, and now 1947. Surely this method of financing improvements on the system and power to issue securities for capital expenditures is more frenzied finance. I read the report No. 2 of the proceedings of the special committee on railway and shipping, No. 2, and I saw some reference to this matter in one or two of the questions. I think the hon. member for St. John-Albert said something about it. It was found that in these particular matters of betterments and new equipment, some of it was going to subsidiaries of the Canadian National, the Central Vermont and other places, whereas the old national railways in Canada are starving for new equipment and betterments. Take a look at the cars you are travelling on in the province of Ontario. Surely we should be able to look after our own system within the borders of Canada, fix up the rights of way, provide better rolling stock, and that kind of thing, before we start spending all this money away down in central Vermont. It was in Ontario that the old Grand Trunk and the Canadian Northern made nearly all their money to start with, and that most of the money was made in connection with the national system.

I would further call attention to the stations and the equipment for some of the trains. They have not proper appliances. Why should we spend this money on subsidiaries in the United States? The same thing applies to ships, such as the *Northumberland* on Lake Ontario. The hon. member for Davenport is not going to risk his life again on that; this year he is going to have his picnic at Centre island instead of at Port Dalhousie. I would call attention to the policy involved in this vote. They should have redeemed all these expenditures out of earnings. The amount of money involved is, for additions and betterments, less retirements, \$18,000,000. Then you have to refer to the top of page 2 of the bill where it says:

Less: Available from reserves for depreciation and debt discount amortization, \$16,518,000.

That makes a total of \$46,723,000. Included in that is \$41,500,000 for new equipment. What equipment we are getting I do not know.

It has been the practice in the house to refer these matters to a committee. I have read over the list of questions asked in committee and I fail to see where any improvement has been made on the suggestions made here in committee of supply. The road is doing very well; I am not here to criticize the road. It is a splendid railway, has splendid officials and has splendid equipment in many parts of the country; but there are other