

during that particular session of the committee. I endorse what the parliamentary assistant has to say with regard to maturing obligations. Many of the securities referred to in this table which was placed on *Hansard* do not mature before 1950 but are callable prior to that date. The parliamentary assistant is reported on page 1984 of *Hansard* as saying:

The reason for asking for statutory authority to enable the railroad to make refunding loans is to enable the railroad, if market conditions are such that it would be advantageous to do so, to call in high coupon securities and refund with lower coupon securities.

With that policy I am quite in accord, but I should like to make a comment. We have maturing on July 1, 1969, but callable on July 1, 1944, some \$56,704,000 of five per cent, dominion government guaranteed. I think we will all agree that those should be called. We come now to an item of \$20,000,000 which is due February 1, 1952, but callable February 1, 1948. These bonds are three per cent, government guaranteed. On the surface it would not seem to be sound business to refund those three per cent bonds at three and a half per cent, and I presume that after a study is made by those in charge of the railroad these will not be called with the resultant expense that would occur. I think the same would apply to the next item of \$25,000,000 which is due February 1, 1953, but is callable February 15, 1948. I appreciate the opportunity of placing these remarks on the record at this stage.

Section agreed to.

Sections 3 to 6 inclusive agreed to.

On section 7—Loans authorized to national company not exceeding aggregate amount of \$200,000,000.

Mr. HARRIS (Danforth): I think in fairness to the committee and the house there should appear within the confines of the annual report to parliament a statement of what has been called and what it is proposed to call when the budget is presented for the coming year. The transactions of the current year are embodied in the railway report, but the budget does not give any idea of what the policy for the year following will be. As I say, I think the railroad should recite their policy so that we may have some idea of what it is to be with regard to financing from year to year.

Mr. JACKMAN: During the sittings of the railway committee I believe an item came up in connection with some two per cent C.N.R. bonds or C.N.R. equipment certificates which came due. Instead of the railway being allowed to go to the public market to replace these bonds with bonds bearing a similar rate

of interest, they had to borrow from the government at three and a half per cent, the rate just mentioned by the parliamentary assistant. I do not think any such discrimination would be allowed against a private railway company. While I am not one who believes that the public is best served by public ownership I see no reason why there should be discrimination in the case of this refunding when it is not likely that any private company would be so discriminated against, particularly in connection with the refunding of an equipment issue.

I like to see the things owned by the public and those owned by private enterprise kept on an even keel so that a fair comparison can be made. For instance, recently I was in the North Bay office of the T.C.A. and I saw there a safe marked "C.N.R." At Lethbridge and Calgary the trucks which refueled the plane were United States army trucks. How are we to know that the accounts of publicly owned corporations such as the T.C.A. or the C.N.R. are on a fair or comparative basis unless they are treated in the same way as our private companies? I would suggest to the Minister of Transport or the Minister of Finance or the parliamentary assistant that the C.N.R. be allowed to refinance its maturing obligations in the same manner as a private company.

I realize that it makes no difference to the people of Canada whether the financing is done by the government at three and a half per cent or whether the railway company is allowed to go directly to the financial market to raise its own funds, but I think each compartment, if you like, should stand on its own feet. The C.N.R. should not be discriminated against in a special field of this kind.

Section agreed to.

Bill reported, read the third time and passed.

WATER METERS INSPECTION

REPEAL OF ACT ASSENTED TO IN 1905

Hon. C. W. G. GIBSON (Minister of National Revenue) moved the second reading of bill No. 36, to repeal the Water Meters Inspection Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. McCann in the chair.

On section 1—Act repealed.

Mr. POULIOT: Mr. Chairman, this is the kind of bill that I like, since I have moved similar bills to repeal some of Bennett's rotten social legislation. I was however, unsuccessful.