

Sir HENRY THORNTON: Just show Mr. Heaps the few sheets there which you are comparing.

Mr. GRANT: The third chart, that is  $4\frac{1}{2}$  per cent Government Bond, it is selling at  $102\frac{1}{4}$  June 19, a yield basis of 4.33; Canadian National bonds due 1956, the same year, is selling at  $102\frac{1}{4}$  or 4.35 basis.

Sir HENRY THORNTON:  $101\frac{1}{4}$ , 1956, Canadian National. That is the second to the last chart.

Mr. GRANT:  $102\frac{1}{4}$ .

Mr. HEAPS: It is 4.35,  $102\frac{1}{4}$  as against  $100\frac{1}{4}$ .

Mr. GRANT: That is the comparison there. Take the last date we have there.

Hon. Mr. EULER: That hardly corresponds with your opinion that the difference is one-tenth of 1 per cent. That comparison you make is a bond, or on bonds, with the date of issue the same and the date the same.

Mr. GRANT: Quite right.

Mr. EULER: That is about the only comparison you can get.

Sir EUGENE Fiset: In connection with your last Canadian National issue, 1956,  $102\frac{1}{4}$ , 4.35 and Dominion government 1956,  $102\frac{1}{4}$ , 4.53 yield, were these bonds guaranteed?

Mr. GRANT: Yes, sir.

Sir HENRY THORNTON: They are guaranteed by the Dominion government.

The CHAIRMAN: Are there any other questions?

Sir EUGENE Fiset: Have you provided a sinking fund here?

Mr. GRANT: I said the other day that we had no sinking fund in these bonds that were guaranteed by the government, and the recent issue. I made that statement, Mr. Fiset.

Mr. HEAPS: It appears to me from these charts that the difference in the borrowing powers or capacity of the government and the railways is approximately half of 1 per cent. I am taking that second last sheet, Canadian National  $4\frac{1}{4}$  bonds, February 1, 1956.

Mr. GRANT: Yes.

Mr. HEAPS: Showing  $101\frac{1}{4}$ .

Mr. MACMILLAN: They all show  $101\frac{1}{4}$ .

Mr. HEAPS: I take your third sheet, Dominion Government Conversion Loan, June 1, 1956, a fraction below 102.

Mr. GRANT: Dominion Government loan  $102\frac{1}{4}$ .

Mr. HEAPS: It is less than 102. It is between  $101\frac{3}{4}$  and 102.

Mr. GRANT: Yes.

Mr. HEAPS: That means a little less than 102.

Mr. GRANT: That is a quarter less.

Mr. HEAPS: Here you have  $101\frac{1}{4}$ , so that I say the difference is about half of 1 per cent. I am just stating what is shown on the charts here.

Mr. GRANT: I do not just see where you get the half of one per cent.

Mr. HEAPS: What do you estimate as being the difference in borrowing capacity in the two corporations?

Mr. GRANT: I have stated there was a difference last year of .10 per cent.

Mr. HEAPS: You still retain that figure?

Mr. GRANT: The different maturities will make a different yield on those bonds. That is a shorter term bond. Take, for example, that short term bond on the first 1944 there. The 4.27 basis, it is selling against our 4.35. There is a difference of .19.