

with the approval of the Governor in Council, make temporary loans to the Company out of the Consolidated Revenue Fund, not exceeding ten million dollars, repayable on such terms and at such rates of interest as the Governor in Council may determine and secured by securities that the Company is authorized to issue under section four.

(2) Definitive securities may be issued, not exceeding ten million dollars, and guaranteed under the provisions of this Act, to repay loans made under subsection one, or any part thereof.

Mr. GREEN: This clause 5 is a new provision in a bill of this type, is it not?

Hon. Mr. CHEVRIER: No, it is not; it is almost identical to the other railway bill I referred to. It is put there in order to allow the railway to proceed immediately. For instance, if tenders were opened on the first of July the Minister of Finance would be authorized to give temporary loans to the Canadian National Railways to proceed with part of the work so that the contractor could be paid in part.

The CHAIRMAN: Shall clause 5 carry?

Carried.

Clause 6?

Carried.

Clause 7?

Carried.

Clause 8?

Carried.

Mr. MURPHY: Mr. Chairman, I was going to remark there is no reference in this Bill to the Department of Defence Production.

Hon. Mr. CHEVRIER: No.

Mr. MURPHY: There need not be?

Hon. Mr. CHEVRIER: No, the Department of Justice says that it need not be. The difference between the \$10 million and the \$14,725,000 is being covered by supplementary estimates which the Minister of Defence Production will introduce at the end of the session.

Mr. GREEN: May I ask a question on clause 7?

The CHAIRMAN: Reverting to clause 7.

7. (1) The proceeds of any sale, pledge, or other disposition of any guaranteed securities shall in the first instance be paid into the Consolidated Revenue Fund or shall be deposited to the credit of the Minister of Finance in trust for the Company, in one or more banks designated by him.

(2) The Board of Directors of the Company may authorize application to be made to the Minister of Transport for the release of any part of the proceeds deposited pursuant to subsection one, to the Company for the purpose of meeting expenditures in respect of the construction of the railway line, and the Minister of Transport may approve the applications, and upon the request of the Minister of Transport the Minister of Finance may pay the amount or amounts of such applications or part thereof accordingly.

Mr. GREEN: The first subsection provides that the proceeds of any sale of the guaranteed securities shall be paid into the Consolidated Revenue Fund or shall be deposited to the credit of the Minister of Finance in trust for the