

affects the whole system, discussion be not curtailed or restricted in any way, and that the whole system be subject of debate.

The CHAIRMAN: Order. I want to make my position clear as chairman of this committee. I feel that I must abide by the standing orders. Until they are changed by the house it is my duty to enforce them. However, if the committee sees fit from time to time, by unanimous consent, to allow wider latitude than the rules permit, I would certainly have no objection. At all times the chairman is in the hands of the committee. I do not recall any time this session when a general discussion has been allowed in committee on the principle of a bill. I do recall that during the war on the appropriation bills general discussion was allowed on the short title. I believe that a wide discussion can take place under section 2 of this bill. Section 2 has to do with additions and betterments (less retirements) \$18 million. I believe that item and other items in clause 2 permit wide discussion, and I am of the opinion that general discussion should take place under section 2 and not under section 1. I would ask the committee to carry section 1 and then proceed with section 2.

Section agreed to.

On section 2—Power to issue securities for capital expenditures.

(Translation):

Mr. GAGNON: Mr. Chairman, will the minister permit me to outline the situation which prevails in my constituency?

Mr. CHEVRIER: Mr. Chairman, I believe that the hon. member should in the first place ask his question. The hon. member for Stanstead (Mr. Hackett) suggested a while ago that the hon. member could ask questions; if they are in order, I have no objection.

Mr. GAGNON: Do the Canadian National Railways intend to repair the line which runs from Chicoutimi to Quebec and Montreal?

Mr. CHEVRIER: I am not in a position to answer that question on this bill. If the hon. member will ask his question when the estimates of the Department of Transport are brought down, I shall then be able to answer.

Mr. GAGNON: I wish to thank the minister.

(Text):

Mr. MACDONNELL (Muskoka-Ontario): May I now have an answer to my first question?

Mr. MAYHEW: I shall give the hon. member an answer to his question. The

company serves the Grand Trunk Western Railroad in providing its entrance to the city of Chicago for both freight and passenger service. For passenger service, it provides a joint union station, and for freight service it provides the trackage whereby the Grand Trunk reaches its exclusively operated freight station and team tracks.

In addition to participating in the operating expenses of the facilities of which it has the joint use, the Grand Trunk Western Railroad is obligated by agreement to pay as rental sinking fund payments sufficient to retire certain bond issues at maturity and interest as it falls due.

The amount of \$160,500 included in the capital budget of the Canadian National Railways for 1947 covers the estimated requirements for sinking fund payments and interest for 1946 which the Grand Trunk Western Railroad are obligated to pay under the agreement.

Mr. MACDONNELL (Muskoka-Ontario): Is that an annual rental, or is it something that will come to an end after a term of years? Will it continue to be shown as a yearly expenditure?

Mr. MAYHEW: I am told that the bonds mature in 1962 and that this amount will end at that time. It provides for these bonds.

Mr. MACDONNELL (Muskoka-Ontario): Does that really answer my question? When that happens does it mean that there will be no longer any rental or payment of this kind to be made?

Mr. MAYHEW: Yes, that is right. This is a return of capital.

Mr. MACDONNELL (Muskoka-Ontario): Is the same relatively true with regard to the last item, which on the face of it does not look like an acquisition of security or retirement of capital?

Mr. MAYHEW: Under an agreement between the Grand Trunk Western Railroad and the state of Michigan, dated July 20, 1927, the railway and the state agreed, in order to enable the state to carry out its highway programme, the railway would surrender its present right of way from Mile Post 13 in Royal Oak to Mile Post 22.1 between Pontiac and Birmingham; the state to procure a new right of way 100 feet wide for a new double track railroad; the state to advance the cost of the right of way, and the cost of the railroad to be constructed thereon; the railway to repay such costs to the state by fifteen annual instalments, without interest; repayment to commence on December 31