

Mr. BELZILE: As I understand the procedure in this matter, either the companies will have sufficient revenues with which to meet the loans and reimburse the government or they will not. If they have not such revenues to a sufficient amount, they will have to come back before parliament; that is, the government will have to come before parliament and say that last year such and such a company—for instance, the Canadian National Railway system—incurred such and such an amount of deficit. Then we shall have to pass a bill appropriating money to pay that deficit, and shall have to appropriate special money for that. That is exactly what is covered by the proviso contained in the three last lines.

Mr. MACDONNELL (Muskoka-Ontario): Following what my leader has said with regard to the words "at any time in any year", it would seem to me that the whole of the wording throughout the rest of the resolution is "during the calendar year 1948." Surely that is what is contemplated. I still think that the leader of the opposition is right in saying that the words "at any time in any year" seem to have crept in by mistake.

Mr. BELZILE: The intention on this particular point is to have continuous authority to make the necessary advance.

Mr. BRACKEN: May I ask the parliamentary assistant if those words "at any time in any year" have been used in any previous year. It looks to me now as though we are legislating for all future years. In a matter dealing with deficits I think that opportunity for consideration ought to come before parliament every year.

Mr. BELZILE: A somewhat comparable provision was in the 1941 act. But last year we passed chapter 29, and this provision is, as is mentioned, entirely new.

Mr. ISNOR: I should like the parliamentary assistant to give one further interpretation. It relates to the words "to pay operating and income charges." As I understand it, it is based on the words "capital expenditure." If this \$85,882,200 is for capital expenditures—

Mr. KIRK: For the year 1948.

Mr. ISNOR: Yes, for the year 1948—how is it possible to pay out of that amount a balance toward operating and income charges? Will the parliamentary assistant be good enough to explain the term "operating and income charges" so that we can understand whether or not they come within our understanding of the meaning of the word "capital"?

Mr. BELZILE: The provision to which the senior member for Halifax refers is in addition to the \$85,000,000.

Mr. ISNOR: Then there is a further amount?

Mr. BELZILE: Yes.

Mr. JACKMAN: That is right—an unknown amount.

Mr. BELZILE: An amount which we cannot determine now. The C.N.R. makes a budget. Of course a budget is to provide for the future. They do not know what deficit they will incur, whether scarcity of materials will raise prices substantially, whether wages will increase, and so on. If they incur any deficit, they will have to come back next year before the government, explain that deficit and give the reason for it.

Mr. MACDONNELL (Muskoka-Ontario): Let me read the first part of the resolution:

That it is expedient to bring in a measure to authorize the Canadian National Railway Company to issue securities not exceeding \$85,882,200 in principal amount to provide the moneys necessary to meet capital expenditures made or capital indebtedness incurred during the calendar year 1948 . . .

Then lower down on the page the resolution reads:

—and to authorize the Minister of Finance to place at the disposal of the national company or the Trans-Canada Air Lines, such amounts as may be necessary to enable them to pay operating and income charges if—

And I suggest the wording should be "during the calendar year 1948."

—the available revenues of the national railway system or the Trans-Canada Air Lines and subsidiaries, respectively, are not sufficient to pay such charges:

Surely it is the same period we are talking about. I suggest that would meet the situation, unless there is some point which has not yet been brought out.

Mr. LENNARD: Then bring it out.

Some hon. MEMBERS: Carried.

Mr. LENNARD: No, it is not carried.

Mr. BELZILE: It is the government's policy to have authority to make these advances as required so that the company will meet its operating and income charges as they come due.

Mr. MACDONNELL (Muskoka-Ontario): Does the parliamentary assistant suggest that we are now being asked to vote something which goes beyond the year 1948?

Mr. BELZILE: That is right.