

On section 1—Short title.

Mr. GRAYDON: Is this bill in the same terms as the last bill of the kind that was passed by parliament?

Mr. ABBOTT: Yes, Mr. Chairman; the terms of this bill are identical with those of the last refunding bill, which was passed in 1938.

Section agreed to.

On section 2—Power for refunding.

Mr. BLACKMORE: May I ask if any considerable number of these bonds are held in Britain, or outside Canada?

Mr. ABBOTT: I cannot give my hon. friend the information as to what portion of these maturing securities are held in Britain. When the measure was in the resolution stage I pointed out that the great bulk of the perpetual issues of the C.N.R. which had been held in Britain had been redeemed since the beginning of the war, leaving a comparatively small number outstanding. Speaking from memory, I think the great majority of the Canadian National issues held in Great Britain have been repatriated, but I am not in a position to give my hon. friend definite figures as to that at the moment. I did not anticipate that this question would be asked, and I have not the figures before me.

Mr. HARRIS (Danforth): Perhaps the parliamentary assistant could inform the committee why they project this so far into the future. This goes beyond 1953, though if I remember correctly they still have some \$75,000,000 left from the previous transaction, which involved some \$200,000,000. Why is it necessary to project this so far into the future?

Mr. ABBOTT: I do not think \$75,000,000 is left from the previously authorized issues. As I remember it, two issues mature either this month or within the next two or three months. There either have matured or will mature during the period contemplated by the previous bill securities totalling \$196,220,709.23. As to projecting oneself so far into the future, this bill is for \$200,000,000, the same amount as the previous bill, as my hon. friend will recall.

Mr. HARRIS (Danforth): The previous \$200,000,000 was not all used up.

Mr. ABBOTT: No; a very small portion of the amount authorized under the 1938 act is still available.

Mr. HARRIS (Danforth): Quite a substantial portion. What portion is left over?

[Mr. Mackenzie King.]

Mr. ABBOTT: Including the maturity on May 1, 1944, of \$35,000,000, the Canadian National Refunding Act, 1938, will then have been availed of to the extent of \$196,220,709.23, which would leave roughly \$4,000,000 available.

Mr. HARRIS (Danforth): Plus the \$35,000,000 maturing on May 1?

Mr. ABBOTT: Yes.

Mr. BLACKMORE: Would the parliamentary assistant give the committee some idea of the average interest rate obtaining on these bonds?

Mr. ABBOTT: The average interest rate now is 4.13 per cent.

Mr. BLACKMORE: And could the parliamentary assistant give us some idea of what the average rate will be under the proposed refunding scheme?

Mr. ABBOTT: I cannot give that information, other than to say that since the beginning of the war, as I pointed out when this resolution was in the committee stage, moneys have been advanced by the government instead of going into the open market, and the rate charged has been $3\frac{1}{2}$ per cent.

Mr. KNOWLES: When we were in committee of the whole on the resolution which preceded this bill I asked the parliamentary assistant a question relating to the matter to which he has just referred. I asked if he could give us the total indebtedness of the Canadian National Railways before the war and at the present time, breaking it down into funded debt and the debt to the consolidated revenue fund. I was anxious to see the trend; I believe one figure goes up as the other goes down.

Mr. ABBOTT: I have that information. On December 31, 1938, the end of the last fiscal year of the railway before the war, the funded debt in the hands of the public amounted to \$1,249,996,422.59. Loans from the government amounted to \$48,144,804.73, making a total of \$1,298,141,227.32. At December 31, 1943, the funded debt in the hands of the public was \$744,232,472.60. Loans from the government totalled \$537,323,765.07. The total indebtedness of funded debt and loans from the government amounted to \$1,281,556,237.67, or an over-all decrease of \$16,584,989.65. I think that was the information the hon. member asked for.

Mr. HARRIS (Danforth): I did not have an opportunity when the resolution was before the committee to point out certain things I had in mind, because the statement with regard to maturing or callable bond issues was not available. This was placed on *Hansard*