

## MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 277,

March 23, 1937.

The Select Standing Committee on Railways and Shipping met at 11 o'clock, Mr. A. M. Young the acting chairman presided.

The ACTING CHAIRMAN: We have bill 73 before us this morning:—

An Act to authorize the provision of moneys to meet certain expenditures made and indebtedness incurred by the Canadian National Railways during the calendar year 1937, and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railways.

This bill covers many of those things which we have already discussed and agreed upon. I do not know whether you want the clauses of the bill read.

Mr. HEAPS: I think we can dispense with that.

Mr. HANSON: It is the same bill we have always passed in other years is it not?

The ACTING CHAIRMAN: Yes. Shall clause 1 carry?— (Item agreed to.) Shall clause 2 carry?

Mr. HEAPS: Perhaps the minister would like to make a statement to save any discussion on this clause.

Hon. Mr. HOWE: This is the usual financing bill. It provides for the capital expenditures on the railway; it gives authority for such refunding as is required in the year.

Mr. BEAUBIEN: That refers to the capital expenditure which we discussed in the budget.

Hon. Mr. HOWE: Yes, that is it.

Mr. ELLIOTT: How do you make up that item of \$30,721,700?

The Acting CHAIRMAN: You will find part of it on page 1 and part of it on page 2.

Hon. Mr. HOWE: Yes. Retirement of capital obligations, \$7,114,000. Of course, that is just a refunding operation. It does not change the debt position, but authority has to be obtained, and parliament can give it. Then there is the item of general additions and betterments less equipment retirements. The equipment retirement is \$7,389,000 odd and is the amount taken out of the earnings each year to provide for equipment retirements, and that is offset against general additions and betterments, as discussed in the budget, of \$11,289,000 odd. Then there is acquisition of new securities, or securing the securities of some of the small subsidiaries which we are trying to clean up, and the amount there is \$561,000. Equipment purchased amounts to \$19,396,000 odd: making a total of \$23,857,000 odd.

Mr. SMART: They are using \$250,000 of working capital.

Hon. Mr. HOWE: They, apparently, have some surplus working capital they are applying against the capital requirements.

(Item agreed to.)