

Canadian National Railways

the meetings of the committee on railways, canals and shipping owned and operated by the government the chairman, the hon. member for Halton, suggested that it would be desirable to have all commitment authority in one bill rather than to have outstanding commitments from earlier bills. During the debate last year the hon. member for Eglinton pointed out the difficulty which arises when we attempt to apply parliamentary control to an ordinary commercial company whose operations are continuous. This suggestion has been incorporated in the bill and all commitment authority will be covered by this bill. The earlier commitment authorities authorized by the bills of last year and 1949 are now included in this bill and from now on the total commitment authority will be in the bill of the year.

The usual authority is provided for the making of temporary loans to the railway company and Trans-Canada Air Lines to meet operating deficits up to June 30, 1953. While the capital revision act of this year contemplates that the railway will not have any deficits in the future, it sometimes happens in the early months of the calendar year that deficits do occur. In the case of an ordinary commercial company it would finance these by bank loans; in this case we are prepared to extend these temporary advances as we have in the past.

Loans by the government to the railway company made under previous financing and guarantee acts were outstanding at May 31, as follows:

1947 Act	\$ 5,886,566.33
1949 Act	1,656,463.45
1950 Act	6,911,989.10
1951 Act	66,333,939.82
1951 Act (No. 2)	21,448,924.37
	\$102,237,883.07

Advances under the first three of these acts and part of the fourth will be converted either into preferred stock or the \$100 million twenty-year obligation referred to in the capital revision act. The budget of the national company has already been referred to the committee on government-owned railways and has been scrutinized by that committee. I am happy to have with me my colleague the parliamentary assistant to the Minister of Transport, who is on that committee and who can answer much better than I questions of detail as far as the real use of these sums is concerned.

Mr. Macdonnell (Greenwood): In view of the statement which has been tabled, perhaps the detailed figures can be gone into more adequately when we have had time to study it. I understand that it is proposed to try to make each year more or less self-contained.

Mr. Sinclair: The bill for each year.

Mr. Macdonnell (Greenwood): It is rather a qualification of that, that while you are cutting off what is behind you are also stepping forward into the coming year. That is to say, you are making certain provisions to carry you into the first six months of 1953. I am not going to comment further until I see the figures. There is one figure, however, which if I have it right, puzzles me. I understood the parliamentary assistant to give a figure of \$154 million as capital expenditures.

Mr. Sinclair: Yes.

Mr. Macdonnell (Greenwood): And additional working capital, \$15 million.

Mr. Sinclair: Yes.

Mr. Macdonnell (Greenwood): And then for equipment, part running into the next year, \$123 million.

Mr. Sinclair: All of it to be paid ahead.

Mr. Macdonnell (Greenwood): That gives a total of \$292 million, which of course is much bigger than \$202 million. I take it that that carries it into 1953.

Mr. Sinclair: It is a commitment authority.

Mr. Macdonnell (Greenwood): We may have more to say about that when we have seen the figures. What is the policy with regard to equipment? There was a time when bonds were sold to provide a great deal of the money required for equipment. My recollection is that when the matter was up a year ago it was stated that some was to be raised that way and some by straight assistance by the government.

Mr. Sinclair: It is a matter of market conditions. If the market will handle equipment trust bonds, then the money is raised that way. Otherwise it is obtained from the government. When the bill is before the house I shall have a statement on the financing of equipment for you.

Mr. Knowles: I take it from what has been said that the policy from here on will be that there will be no left-over commitments from previous bills that are not included in the current bill.

Mr. Sinclair: That is right.

Mr. Benidickson: This year; and other bills will have what we ordinarily would call a revote.

Mr. Knowles: It is getting to be like some items we have in the estimates both in terms of revotes and in terms of advance commitments. Perhaps that leads to another question that I had intended to put with reference to