

ern Canada this year there should be a considerable demand for this type of labour during the coming months.

Progress reported.

At one o'clock the house took recess.

The house resumed at three o'clock.

### CANADIAN NATIONAL RAILWAYS

#### REVISION OF ACCOUNTING SET-UP—CONSIDERATION OF SENATE AMENDMENTS

The house proceeded to the consideration of amendments made by the senate to Bill No. 12, to provide for revision of the accounting set-up of the Canadian National Railway system.—Mr. Howe.

Hon. C. D. HOWE (Minister of Transport): Mr. Speaker, the bill has been returned from the senate with six amendments and a change in title. As to five of the amendments we can concur, but we cannot agree to the sixth amendment in its present form. As the bill has not been reprinted I will briefly describe the amendments.

Amendment No. 1 is simply the insertion of the word "and." I will refer later to amendment No. 2. It is an amendment of section 11, and we cannot concur in it in its present form.

Amendment No. 3 is a change in the wording of section 16. Subsections 2 to 5 inclusive are struck out and the following substituted therefor:

Such by-laws shall provide for—

(a) the custody of the corporate seal of the trust;

(b) the execution of instruments by two or more trustees;

(c) meetings of the trustees, to be held at least once in every year, the giving of notices of meetings, the appointment of a presiding officer at each meeting and the number of trustees necessary to constitute a quorum at meetings.

That is exactly the same as the bill except that it is worded in a more compact form.

Amendment No. 4 is the changing of a capital "S" to a small "s."

Amendment No. 5 is a change in section 22. This is the substitution:

The Securities Trust is hereby declared for the purposes of the Canadian National-Canadian Pacific Act, 1933, and the Canadian National-Canadian Pacific Act, 1936, to be a corporation comprised in the National railways, provided, however, that subsection 3 of section 8 of the Canadian National-Canadian Pacific Act, 1933,

[Mr. Rogers.]

as enacted by section 3 of the Canadian National-Canadian Pacific Act, 1936, shall not apply to the said corporation.

That particular section is a provision that the directors of Canadian National Railways shall be directors of all subsidiary companies. I have no objection to the change. Also section 24 has been struck out and the following substituted therefor:

The minister shall annually include as an appendix to the public accounts of Canada a detailed statement of the assistance, whether by way of grant or unpaid loan of money, undischarged guarantee, grant of land or otherwise given by the Dominion of Canada to every railway, showing separately the assistance given (a) in aid of construction and (b) to meet losses on operation. Such statement shall, as far as possible, show separately for each item of assistance the name of the company to which granted; the date upon which granted; the authority for the grant, whether by statute, contract or otherwise; the purpose for which granted, and the manner in which such assistance has been dealt with in the public accounts of Canada. The appendix shall also contain a similar statement in respect of loans which have been repaid and guarantees which have been discharged, showing the same details and also the dates of repayment or discharge. Grants to relieve unemployment shall not be considered as assistance to the railways.

I have consulted the Department of Finance to ascertain whether a statement in that form is possible. I am told that it is, and I have no objection to that amendment.

Mr. BENNETT: It is merely an expansion of the other section.

Mr. HOWE: Quite, yes. It requires a little more detail than the other section.

Mr. DUNNING: It is what the Department of Finance would, in any event, have done, but it is well to have it stated.

Mr. HOWE: Reverting to amendment No. 2, to section 11, the proposal is to add this statement:

A footnote shall appear in the said accounts stating that the proprietor's equity, representing an aggregate indebtedness of \$1,334,567,414, is disclosed in the net debt of Canada, and in the historical record of government assistance to railways as shown in the public accounts of Canada.

There are several reasons why we cannot accept that amendment. The first is that the statement which it makes is not correct. It says, "representing an aggregate indebtedness of \$1,334,567,414."

Mr. CAHAN: What is the correct amount?

Mr. HOWE: I do not know. But what they have done here is to take the operating losses and add to them the grants made under the Maritime Freight Rates Act of 1927 and also grants made under the Canadian