

misunderstood the reference to the litigation. This litigation strikes at the life of the amalgamation of the Grand Trunk, it asks for a declaration that the whole statute by which we acquired the Grand Trunk is ultra vires. It goes further and asks that the action taken by the government in this country pursuant to the statute to strike the names of the shareholders in Dashwood House off the record is illegal. It is not a question of simple arbitration.

Mr. EULER: What is the point involved?

Mr. BENNETT: The whole question of the amalgamation of the Canadian National system. When my hon. friend suggests that notwithstanding that legislation we should go on with the recapitalization, I do not think he understands the true state of affairs. This country should not be in the position of having taken any action to change the status quo during the litigation, and that is why I made it clear to the house just what was the position.

Mr. MACKENZIE (Vancouver): What is the position of the litigation at the present time?

Mr. BENNETT: The appeal is expected to be heard in July.

Mr. EULER: Is the appeal actually made?

Mr. BENNETT: The appeal is pending for argument in July. All I am asking is that there shall be nothing done upon the books to change the position so that it could be said that we had taken certain action before the completion of the appeal. I endeavoured to confine myself to a reading of the record and I regret that it should be thought that I have any objection to the capital stock of the railways being written down. That may be the right thing to do when the time comes but in the meantime I have expressed the opinion that the investments in the road should be shown upon the books that are published to the world. So far as the method of book-keeping is concerned, the government books show exactly the same amounts. When I ask the government what sums have been invested in the Canadian National Railways they produce the books and show what they have, the only difference being that the amounts are paid as interest on the national debt instead of as interest on the securities of the railways.

Mr. MACKENZIE (Vancouver): Is this government interested in the appeal?

[Mr. Bennett.]

Mr. BENNETT: The attorney general of Canada was joined as a party defendant for the reasons given by Mr. Green when arguing before the privy council.

Mr. EULER: The Prime Minister has said that he gave only the facts. So far as the record is concerned, the recommendations of the auditors intended to preserve the capital amounts which have been expended on the Canadian National Railways in any shape or form and that record will always be there. Some reference to politics has been made and I should like to say that I disavow of that kind so far as the proceedings of the committee are concerned.

Mr. BENNETT: I referred merely to the records.

CANADIAN HIGH COMMISSIONER

On the orders of the day:

Hon. C. H. CAHAN (Secretary of State): Mr. Speaker, on the orders of the day, on Thursday last an order was passed on motion of the hon. member for Témiscouata (Mr. Pouliot) for certain details respecting the organization and expenses of the office of the high commissioner in London, and yesterday the member for Témiscouata asked that a precise date be fixed when this return would be tabled. The return involves a very great deal of research and it will take some considerable time to complete. The time of six days which has elapsed has been altogether insufficient.

TRADE AND INDUSTRY COMMISSION

ADMINISTRATIVE, ADVISORY AND INVESTIGATORY
FUNCTIONS—PROVISION FOR A DIRECTOR
OF PUBLIC PROSECUTIONS

The house resumed from Wednesday, June 19, consideration of the motion of Mr. Hanson (York-Sunbury) for third reading of Bill No. 86, to establish a dominion trade and industry commission.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, when the house adjourned yesterday I was discussing the defence which the Prime Minister (Mr. Bennett) had made of the reform program of the government. The speech of the Prime Minister seemed to indicate that financial and legal considerations were paramount, and to this point of view I decidedly object. The Prime Minister has urged that Canada must maintain her credit. He stated that we must