

costs at all. Its purpose is to keep Parliament apprised of the changes in the status of these claims. There are a hundred companies in the National System to-day. It is just honeycombed with mortgages, underlying bonds, and all those things. These matters should be handled through a separate institution, to which Parliament authorizes the transfers. And, as I say, in this way Parliament can be apprised annually of all the changes with regard to those claims that the trustees and the Governor in Council have made during the year. I repeat that to attach these figures to the balance sheet of the National Railways would be to attach a statement that is not complete, because of the legislation, and by doing so you would not be adding anything to the statement as to the condition or annual earnings of the National Railways. In other words, such an attachment would give no valuable information and would cause only confusion.

Hon. Mr. COTÉ: Mr. Matthews, you object to an appendix being attached to the balance sheet of the railway, which appendix would show all the contributions of Canada to this railway in the past as well as contributions which are made from time to time as we go on. You object to that being done because you say the appendix should be attached to the public accounts of Canada, and your hope is that persons abroad who study the National Railways' accounts will not see the public accounts of Canada?

Mr. MATTHEWS: No sir, that is not so. We are not hoping anything of the kind; we have no reason for such a hope.

Hon. Mr. COTÉ: Then, if you are not hoping that persons abroad will not see the full accounts, what is your objection to the statement being attached to the railway accounts?

Mr. MATTHEWS: If the public accounts of Canada are required and distributed abroad, I can see no objection to anyone inquiring into them so as to find out what these railroads have cost the country. But I repeat, sir, that there is no more justification for continuing that historical record in your balance sheet of the National Railways than there is for any other institution which has gone through a form of financial adjustment in recent years doing the same thing.

Hon. Mr. COTÉ: It may be in the minds of some of us that if an appendix were attached to the balance sheet, a man looking at both combined would realize that the National Railways have been and are still a burden to Canada, and he would not be likely to form an opinion that everything is going very well and so there should be an increase in wages or greater expenditures along other lines or perhaps a reduction in freight rates. There may be an advantage of that kind in having the appendix attached. I was trying to get from you what disadvantage there would be in having the figures printed with the railway accounts as an appendix.

Right Hon. Mr. MEIGHEN: As a schedule.

Hon. Mr. COTÉ: As a schedule. And I thought you had expressed the view that the disadvantage would be this, that if foreign investors saw that balance sheet together with the appendix they would be deterred from investing. Did you not say that?

Mr. MATTHEWS: I did not say the appendix would deter them from investing. I said that in our opinion the balance sheet and the annual accounts of the National Railways should deal with the facts as they are to-day, and that the accumulation of past problems is something apart.

Hon. Mr. COTÉ: I am directing my question to practical results. I am trying to find out from you whether there would be a disadvantage which might be reflected in dollars and cents, for instance, by the railway having to pay more interest on its bonds. That is the angle I am trying to clarify. My opinion is that if you publish in an appendix to the public accounts that statement which