

ground to make it clear why I do not desire until this litigation is disposed of, any disturbance in the capital structure. But in so far as the reduction of the capital stock is concerned, when the time comes, to the figure that represents the investment I have nothing to say, but I do submit that most of us are anxious that there should appear in the report of the Canadian National Railways something that indicates what the investment of the Canadian people in the enterprise may be. I greatly regret that an effort was made to give some political meaning to what has taken place. The chairman himself said that he regarded it as the province of the government to say whether or not it thought that this should be done.

Without going into the second ground I indicated my strong conviction that the reports might be prepared in any way that was thought desirable, but the amount of the investment of the Canadian people in the enterprise should appear so that he who runs might read and know exactly what our commitments had been in that regard.

Mr. R. W. GRAY (West Lambton): Would the Prime Minister assure the house that a full discussion of this matter may take place if and when the chairman of the special committee moves the adoption of the report?

Mr. BENNETT: I can give no assurance of that sort.

Hon. W. D. EULER (North Waterloo): Mr. Speaker, on the orders of the day I presume it is not possible to discuss some of the remarks that were made by the Prime Minister, but I would submit to you, sir, that under all the circumstances it would be only fair if some remarks were permitted in reply to, or in connection with, the remarks made by the Prime Minister in regard to railway recapitalization. I would like, subject to what you are prepared to rule in regard to the matter, to make one or two observations and end with a question which would perhaps put me in order. The Prime Minister has stated, at least I take it that he said this, that he opposes recapitalization—

Mr. BENNETT: I did not say that at all.

Mr. SPEAKER: The hon. member has the right to ask a question but I think he realizes that the matter cannot be the subject of debate at this stage.

Mr. EULER: I made that comment already, Your Honour, but I say also that it does not seem fair that one side of the question should be presented and no opportunity given to present the other side. The

Prime Minister (Mr. Bennett) stated that it should always be possible to see from the books of the Canadian National Railways the amount of money invested in those railways, or spent upon the railways.

Mr. BENNETT: I used the word "invested."

Mr. EULER: I do not think that is the proper use of the word; we will say spent or invested. If he insists that that shall be shown on the railway books why are not the entries in the government books consistent with those in the books of the railways? Those amounts have already been absorbed into the national debt and they should appear on the books as assets owing by the Canadian National Railways. I should like to know why the two sets of books should not be consistent one with the other. There is some further information I should like to have, being a layman instead of a lawyer. The Prime Minister stated that permission had been granted to lodge an appeal in connection with the valuation of the Canadian Northern Railway and Grand Trunk Railway stocks.

Mr. BENNETT: No.

Mr. EULER: With regard to the valuation of the stocks.

Mr. BENNETT: No.

Mr. EULER: The Grand Trunk shareholders in Great Britain are not satisfied and they desire to go to the courts in order to settle their claims. Although permission has been granted they have yet to appeal, that appeal has not actually been made. If that is the case, why would that interfere with any action which the government might desire to take in connection with the recapitalization? The amount mentioned by the auditors as capable of being written off by a mere bookkeeping entry was over one billion dollars while the amount involved in the litigation by the Grand Trunk shareholders and even the Canadian Northern shareholders is less than \$300,000,000.

Mr. BENNETT: The only reason I rose to speak to this matter was because of a question asked yesterday by the hon. member for West Lambton (Mr. Gray). I did not endeavour to make a controversial argument, I endeavoured merely to state the facts. I read the letter which I had written on May 15 and the reply thereto. Rather than make a statement, I read from the proceedings before the privy council. The hon. member for North Waterloo (Mr. Euler) has entirely