

Mr. KINLEY: The province was relieved of any further responsibility. Furthermore, with regard to the statement that in our dealings with the provinces we would be in a bad bargaining position by reason of the fact that these railways are not a good asset, I think we are in an infinitely better position than we would have been if we had taken over an asset which they now regard as valuable.

Mr. WALSH: When this bill left this house and went to the committee this section was headed "Adjustment of certain accounts affecting government railways." It comes back to this house headed, "Adjustment of public accounts." I contended in committee, and I contend now, that the principle underlying this bill was vitally changed at that time, and that in place of the railway accounts being adjusted we are actually adjusting the public accounts of Canada. As far as I can see we are taking out of the public accounts non-active assets amounting to over \$350,000,000 and putting them into the consolidated fund of Canada.

Mr. DUNNING: No, out of non-active assets.

Mr. WALSH: That is what I said, but bear in mind that this huge amount is being transferred to the consolidated fund of Canada. When this bill left the house the principle involved was that we were going to adjust the balance sheet of the Canadian National, not the balance sheet of the dominion. I think the minister himself made a statement that was very clear and significant when, on February 5, he said:

I believe a schedule can be set up that will preserve the historical record, and this schedule can be made part of the annual report of the Canadian National railways. That perhaps will satisfy the purpose as to a record.

Instead of doing that, however, the minister now proposes to alter the balance sheet of the dominion as well as the balance sheet of the railways, altering the latter so that in future anyone looking at that balance sheet will not be able to tell the actual condition of the system from a financial point of view. I contended in committee, and I contend here, that the very principle of this bill has been very decidedly altered. I cannot see any reason for such a vital change being made by a member of the government after a bill had been given second reading in this house and sent to a committee. No satisfactory explanation has been given me as to why that should have been done; as to why the balance sheet of the country is the one to be altered rather than

the balance sheet of the railways; as to why in future the balance sheet of the railway company is not to show the true situation of that company, and as to why this government should not give the people of Canada a clear picture in the balance sheet from year to year so that they may know exactly the amount of money they have invested in this government-owned enterprise.

I should like the minister to explain exactly what brought about this change, what gave rise to this vital alteration in the principle of this bill after it left the house.

Mr. HOWE: There is no change whatever in the nature of the bill. The original bill contemplated an adjustment of the public accounts. Schedule B is exactly the same, down to the elimination of the present schedule, as it was in the original bill. There is no new principle involved. While the bill was before the committee, however, we were asked by the Department of Finance to provide at the same time for such change of position of certain items of the public accounts as would permit them to release certain securities to the securities trust. No item of public accounts has been changed, but there has been a transfer from one section to a lower section. For instance, the accounts affected here were included in the non-active assets, and some \$360,000,000 of them are being moved from non-active assets to the consolidated fund. That is the main change, and it is simply done here as a matter of convenience, at the request of the Department of Finance. As far as I can see there is no new principle involved whatever.

Mr. WALSH: But when you actually change the heading of the section from "Adjustment of certain accounts affecting government railways" to "Adjustment of public accounts," to my mind it does change the principle. You started out to adjust one account and you wind up by adjusting the other. I do not think that is a reasonable procedure.

At this stage I should like to take exception also to the development of the securities trust. I followed the argument of my leader, and I agree with the statements he made in connection with the securities trust. This is an intrusion which, to my mind, is going to make our railway situation worse confounded than it ever was, without doing any good. I feel that this section represents a development in connection with our railway problem that the people are going to find it very difficult to understand. I do not see why the minister should persist in legislation of this kind when, as he suggests, he was forced by certain influences emanating from the Department of