

AFTERNOON SITTING

The Standing Committee on Railways, Telegraphs and Harbours, to whom was referred Bill 12, an Act to provide for revision of the accounting set-up of the Canadian National Railway System, resumed this day at 3.50 p.m.

The CHAIRMAN: Senator Meighen wishes to ask some questions of Mr. Matthews.

Mr. OVERTON MATTHEWS was recalled.

Right Hon. Mr. MEIGHEN: Mr. Matthews, we talked quite a lot about the appendix, this morning, and I must admit that when I was talking about it I thought it was a supplementary statement to be given out with the annual reports of the Canadian National, with the balance sheet. But if you will look at section 24 of the Bill you will see it is not that at all. That section says:—

The Minister shall include annually as an appendix to the Public Accounts of Canada a statement showing the total assistance, whether by way of cash outlay, land grant, loan, advance, guarantee or otherwise, given by the Dominion to all railways. Such statement shall also show the manner in which such assistance has been dealt with in the Public Accounts of Canada.

Now, anybody who is looking up our National Railways accounts to see just how we are getting along will not find these sums at all. If he wants to go to the trouble of looking up the public accounts he will find them there, but they will be shown as an asset. In a word, section 24 does not help us in the least in so far as presentation of the National Railways' accounts is concerned. Further, if a man wants to find out what assets we are still keeping, which are in the hands of the Securities Trust, he will have to look at the report of the Securities Trust. That is, a man would have to look in three places to find out what the National Railways have done and how they stand. Is that not correct?

Mr. MATTHEWS: I am afraid I could not agree with that, sir. In the first place, the balance sheet of the National Railways, under the proposed legislation, is to be a statement of condition as of a given date, based upon whatever arrangement is provided by the present creditor, the Dominion of Canada. The Securities Trust is not necessary in determining the cost to the people of Canada, because the public accounts will contain for the first time a complete record of all costs, whether by way of capital advances, deficit advances, subsidies or what-not. The one place and the only place where there would be a complete historical record of the moneys put into the properties would be the public accounts of Canada.

Right Hon. Mr. MEIGHEN: But in order to see how the railway is getting on and with what efficiency it is being run, people are not going to the public accounts. They will look at the railway's accounts.

Mr. MATTHEWS: For the operations of the individual year the figures will be shown there, as they are shown to-day, with the application of the moneys voted by Parliament under the various financing acts each year. There will be no change in that.

Right Hon. Mr. MEIGHEN: The railway accounts will show the operating results for one year. But why should they not show the amounts of money which have gone into the railway and have been lost?

Mr. MATTHEWS: Again I say that the historical record of the National System, since pre-Confederation days, would be in the public accounts of Canada, precisely in the same way as they are handled in the majority of