

Canadians are optimists; they have faith in the country. But the cluttering up of the budget with excuses and explanations of this kind will in my opinion do more to shatter the confidence of the people in the national credit than the Acting Minister of Finance speaks about, than all the fair criticism that may be levelled at this government.

I wonder where we will finish up, Mr. Speaker, if we allow the practice followed in this budget speech to continue—the practice of endorsing the bonds of the Canadian National Railways? Fifty millions in 1923-24; forty-six millions in 1924-25—and that is not the end of the story. It is nearly time something definite was done to put the Canadian National on a footing similar to that on which the Canadian Pacific stands, so that

we will know exactly where we are. We have the Swayn report of 1916 which gives the value of the Canadian Northern and the Grand Trunk Pacific, and we have the award which was made to the Grand Trunk. Why could these findings not be reviewed in connection with a proper determination of the value of the Canadian National railways? Then set that up as the capital of the company, absorb the rest in the national debt and give the people some idea of where we stand. To continue this practice is not fair either to the management of the Canadian National railways or to the people of Canada. If it was done on any equitable or reasonable basis there might be some sense to it. But read this statement which I ask to have placed on Hansard:

Statement of Loans to Railways for 1922-23, 1923-24 and 1924-25 made in Cash and Guaranteed Bond Issue under Authority of the Appropriation Acts

	1922-23	1923-24	1924-25	Total
Deficit—Operating deficit, interest due public, and rentals of leased lines..	\$36,722,181	\$20,356,198	\$21,343,940	\$78,422,319
Redemption of debt—including equipment trust principal payments and sinking funds.. . . .	25,275,902	11,469,369	7,007,533	43,752,804
Capital—Investment in road and equipment including acquisition of property.. . . .	18,214,940	41,630,933	33,765,527	93,611,400
	\$80,213,023	\$73,456,500	\$62,117,000	\$215,786,523
Discount on Government Guaranteed Bond Issues		1,093,500	1,910,000	3,003,500
	\$80,213,023	\$74,550,000	\$64,027,000	\$218,790,023
These totals are made up as follows:				
Loans by way of cash charged to the net debt of the Dominion..	\$80,213,023	\$24,550,000	\$18,027,000	\$122,790,023
Loans by way of Government Guaranteed bond issues..		50,000,000	46,000,000	96,000,000

Now let me read the footnote which appears in small type beneath this tabulation:

While the estimated loans by way of cash of \$18,027,000 for 1924-25 are short of the estimated deficits for this year by \$3,316,940, the statement shows that for the three years under review the government loans in cash have not only enabled the railway company to meet all deficits, including fixed charges due the public, but also left the substantial sum of \$44,000,000 to be applied to capital requirements.

Three years of operation and yet there is nothing uniform in the method of treating these accounts. The Minister of Finance Mr. Fielding—we regret he is unable to be here—found it necessary to write off certain capital charges and deficits, to a total of \$80,213,023. But this government find it necessary to take a portion of the charges already written off capital and bring it back into the revenues, in an attempt to show the people a balance on the right side of the ledger. That is not giving a fair and frank statement to the people. It is not fair, it is not just; and the sooner we have a government

[Mr. Harris.]

in power that can be held to their responsibility to make a proper statement with regard to the handling of their accounts, the better it will be for Canada and all concerned.

Some very interesting deductions are drawn by the Acting Minister of Finance with regard to trade in this country. "A matter of justifiable pride," are the words the minister has been wont to use. He has a feeling of "justifiable pride," he says—

—when we realize that this year, as a result in part of our policy last year in reducing the burdens of taxation, we will receive from the people \$52,837,000 less.

Then, in his summary he says it is a matter of justifiable pride—I do not know whether or not that is the exact term he uses—that our trade balance is so much in our favour. Every Canadian likes to see the trade balance in our favour; in a young country like this it is essential that that should be the case. But first let us analyse this trade balance for a