

system, which is losing \$50,000,000, perhaps \$100,000,000, a year—a road whose losses last year, aside from a saving in interest, were greater than those of the year before? That suggestion is facetious. Money provided for the Canadian National is provided on the credit of the Dominion Government. Therefore the schedule would not have the slightest effect on any prospective bond purchaser. Its only possible effect—and the only effect intended—would be on taxpayers and voters of this country, in preventing them from getting misconceptions. It is most unfortunate that the Minister declined to agree to the amendment proposed in committee, an amendment to which no valid opposition can be offered and one as to which he made suggestions which were resented by honourable members on both sides of that committee, I am sure.

I am now going to make a suggestion. If we are to substitute the honourable gentleman's proposed footnote, which would advise readers of the Canadian National's balance sheet to take a look also at the public accounts, that footnote should at least state the aggregate of those claims included in the proprietor's equity. I should prefer to have it read somewhat like this:

Proprietor's equity, including claims, aggregating \$1,363,000,000, is disclosed in the net debt of Canada and in the detailed historical record of Government assistance to railways, as shown in the public accounts of Canada.

I promise my honourable friend that if he will amend his footnote to the extent here suggested, we on this side will yield a position which we feel is a very strong one. Those who read the balance sheet would then be given at least the real total of the claims and warned that the proprietor's equity as shown in the balance sheet is but a reduced figure. In this total of claims not all deficits paid since 1927 would be included. But I am not particular as to one million nor as to a hundred millions. A footnote, containing this total, would at least give sufficient warning to prevent serious public misconception.

If we cannot agree upon this point now, I think we ought not to detain honourable members here in debating the matter. Of course, anyone who wishes to talk upon it is free to do so. We perhaps might go on to other business and come back to this later with a view to seeing if by then it is not possible to come to some agreement.

Hon. J. P. B. CASGRAIN: Honourable senators, I do not want to get started on a discussion of this question, because if I did I might take some time. When we acquired the Canadian Northern I took up a good part of three sittings of the Senate, a total of four

Right Hon. Mr. MEIGHEN.

and a half hours, in dealing with that matter. So I know all about it. I am not going to repeat what I said then, although I remember it. I remember, too, who was responsible for what was done; and he is a very good friend of mine.

My honourable friend from Montarville (Hon. Mr. Beaubien) says he wants the Canadian National's balance sheet to look bad so that our people will realize the system is losing money.

Hon. Mr. BEAUBIEN: I want to show the truth, which is bad.

Right Hon. Mr. MEIGHEN: The truth may make you free.

Hon. Mr. CASGRAIN: I do not know whether that is altogether wise. The Canadian National has to borrow frequently. Now, a corporation which must borrow should not make its balance sheet look unnecessarily bad. I am afraid I may be thought very disrespectful when I say that the amendment suggested by my honourable friend from Montarville would not have any effect upon the annual deficit which is causing us so much misery. I may tell this House the deficit is more than \$100,000,000. The adoption of that amendment would not result in the deficit being either increased or decreased to the slightest extent. The amendment would have as much effect as a mustard plaster on a wooden leg.

I can tell honourable members how we could reduce the deficit. That is by having the courage to adopt the railway rates that prevail in the United States, where they have double the population that we have per mile of railway. Or let us adopt the rates prevailing in Australia. Strange to say, I do not know anyone here who can state what the Australian rates are. I have hunted for the information, inquired from the Canadian Pacific, written letters, and so on, all in vain. But I know the rates there are much higher than here. It is a wonder that the Canadian Pacific does not know what the Australian rates are.

The South African Government, too, operates a railroad. Much to my surprise, for I never expected a public body to show a surplus, that Government seems to have made some money out of the business.

Right Hon. Mr. MEIGHEN: But they may have good bookkeepers, too.

Hon. Mr. CASGRAIN: It may be interesting to the House to know that the greatest competition to railroads in South Africa comes not from trucks, but from animals which are used for the hauling of freight.