

C.N.R.—Accounting

Mr. HOWE: I understood the difficulty. Most of the deficits appeared in the profit and loss as deductions, and the non-cash item is carried forward into the balance sheet. That will be the case always. It has been the case since 1932.

Mr. BENNETT: That is not the point, at all.

Some hon. MEMBERS: Carried.

Mr. BENNETT: I can only say "on division." Does the government desire to pass section 24 of the bill? I just ask a reasonable government if it desires to protect its own reputation, or if it wishes to add to this bill an amendment which will render necessary printing for the third time what is now printed in (a) the public accounts and in (b) the report of the Minister of Railways and Canals? If any hon. member is curious enough he can get the information. You might as well say that on an agricultural bill you add an amendment providing that the Minister of Finance shall publish a statement showing all the moneys spent in connection with all agricultural societies of the country in the last twenty years.

Section agreed to, on division.

Section 25 agreed to.

Schedule A agreed to, on division.

Schedule A1 agreed to, on division.

Mr. CAHAN: These are all carried, on division.

Schedule A2 agreed to, on division.

On Schedule B—Adjustment of public accounts of Canada.

Mr. BENNETT: Look at schedule B. I assume that there is still left a little sense of fairness in the committee. Look at the language at page 9A, where it says:

Elimination of the present schedule "railway accounts, non-active," and the substitution of the following accounts.

Bear in mind that the minister has used the words "non-active assets." The Drayton report treated them as assets. They may have been non-active, but they were still treated as assets. No one in the committee on behalf of the government has suggested the reason why we should not carry them as they now stand, as non-active assets, valued at so and so, rather than to speak of the equity value of these loans as \$270,037,437.88 and \$18,000,000, for the purpose of creating a company that has not been created, and conferring upon it, when it does not exist, powers to hold shares, it having no power to hold

[Mr. Bennett.]

anything. There is no explanation given of that. There is no company. The statute does not make one. It says there is going to be established a company, and that is all it says. Then we find:

Adjustment in public accounts:	
Credit—Railway accounts non-active..	\$653,860,558 26
Charge—Canadian National Securities Trust stock account..	270,037,437 88
Canadian National stock account..	18,000,000 00
Consolidated fund of Canada.	365,823,120 38

Mr. DUNNING: And there is another \$25,000,000 over the page.

Mr. BENNETT: There is the Grand Trunk Railway debenture account, the interest account, and the special interest account making a total of \$25,607,393.53.

Mr. DUNNING: The summary follows.

Mr. BENNETT: Yes. The next heading is "Recapitulation of changes in public accounts," and under it we find this item:

Railway accounts.. . . . \$697,473,479 34

And then the following:

Charge—Canadian National Securities Trust Stock account..	\$270,037,437 88
---	------------------

I ask any reasonable member this question: Why should we endeavour to create a trust company to hold something which we say is worth over \$270,000,000 at some time in the future? It is not active at this time. Then we have the Canadian National stock account of \$18,000,000, and the investment in the Hudson Bay Railway, amounting to \$457,526.76. Just why we differentiate there, I shall not ask any hon. member of the committee to explain, though I suppose there is an explanation of it.

Mr. DUNNING: There was reference to it this afternoon in the adjustment of accounts.

Mr. BENNETT: Yes, that is correct. We have dealt with the Canadian government railways working capital. Then we have the consolidated fund of Canada standing at \$392,206,534.16, making in all a total of \$697,473,479.34.

I do not wish to worry any more, Mr. Chairman, about this matter; I have worried myself as much as I propose to. But I should like to know how we justify or seek to justify a substitution of shares in the Securities Trust, called an owner's equity, for \$697,000,000, and adjustments, that could easily be put in a single sentence in the following