

National Railway company and companies included in its system, which carry the guarantee of the Dominion of Canada. Such guaranteed issues are shown year by year as indirect liabilities.

Well, that is not such an auditor's certificate as we find in the annual report of the Canadian National railway system which we received last night. Is any opinion expressed in the auditor's certificate as to the correctness of the national balance sheet? None at all. But appended to the accounts of the National Railways we find a certificate of the sort which we are accustomed to look for at the end of any statement of accounts, and it is in this form:

We certify that, *in our opinion*, the above consolidated balance sheet is properly drawn up so as to exhibit a true and correct view of the affairs of the system, as at the 31st December, 1924, and we further certify that, *in our opinion*, the attached income and profit and loss accounts for the year ended the 31st December, 1924, are correctly stated.

I have another form of auditor's certificate appended to the balance sheet of a large corporation, which I will give the House:

We have examined the statement and it agrees with the books of the company. After due consideration we have *formed an independent opinion* as to the position of the company. With *our independent opinion* so formed, and according to the best of our information and the explanations given to us, we certify that *in our opinion* the statement sets forth fairly and truly the state of the affairs of the company, after providing for contingencies, and that all transactions of the company that have come within our notice have been within the powers of the company.

That is what the people of Canada understand by an auditor's certificate. This so-called auditor's certificate which the Acting Minister of Finance found it necessary to quote in his budget speech is not an opinion as to whether the books are kept properly or not, it is not an opinion as to whether the railway loans should be included in the national debt or should be placed among the capital charges of the Canadian National Railway; it is just a mere statement that the balance sheet is a continuation of former practice. The point I am trying to bring out is that the average man in the street is not going to stop and ask you what kind of auditor's certificate this is. By an auditor's certificate he imagines the Acting Minister of Finance is referring to the sort of certificate which accompanies the balance sheet of any corporation. I can imagine some Liberal spellbinders out on the stump shouting to the people, "Yes, this, financial statement which the Tory press is criticizing we had a couple of chartered accountants go over, and they have put their certificate of approval upon it." In my opinion it is a very poor way indeed of getting

over the difficulty the government finds itself in, due to the diminished revenues resulting from the trade depression which we are experiencing from one end of the country to the other. I repeat, it is a poor way to try to hide the fact that we are slipping more and more regarding the public debt.

Let me again say, and I shall continue to repeat it, I have the utmost confidence in Canada, and when I am criticizing the government it must be borne in mind that there is not much connection between the two, and after the bell rings next time there will be no connection at all. Cluttered up within Hansard of March 24 will be found all manner of excuses and explanations by the Acting Minister of Finance as to why such-and-so is done. Why is it necessary to insert this in the budget statement?

The railway company from earnings are not yet able to meet the arrears of interest accumulated on our loans to the company. This government, following the policy of its predecessors, continues to relieve the company from the payment of interest. To do otherwise would require the increasing of our annual provisions in the estimates, thus adding to our debt on the one hand, and, after receiving back from the company the amount so provided in our estimates, crediting it to interest on investments account on the other hand, thus reducing our debt by the very amount by which we increased it.

Why, Mr. Speaker, ever since we took over this railway system has not this been the practice? Why draw a red herring across the trail and say: "This \$131,000,000 is a bad debt, but we are so generous to the Canadian National Railways that we want to treat it in this way, because if we received the interest back we would only have to reverse the ledger entry and put it on the other side?" Does any man of intelligence in the Dominion ever expect that that interest is going to be paid back? Are we not clamouring every day for reduced freight rates? My friends from the Maritime provinces, my friends from the prairie provinces, my friends from Ontario and Quebec, each and every one of us, are looking for the day when reduced freight rates will come. Reduced freight rates will be ahead of this proposition which is suggested by the Acting Minister of Finance in his budget speech. It is not fair to the Canadian people to draw a red herring across the trail in respect to the country's accounts. It is time we tried to give them a frank, clear statement to show them exactly where we are, exactly in what direction we are going, exactly what we are doing. If the revenues are slipping, tell them so. They do not mind having the truth; they do not mind a clear statement of the facts.