

that we are \$62,000,000 better off than we were the year before on the year's showing? The fact is they have misled and deceived the country, and the government knows it.

Mr. MACKENZIE KING: I take direct issue with that statement of my hon. friend.

Mr. MEIGHEN: Well, I will establish it. I come now to the money required for railways. The most we ever heard claimed, even in the press, as the improvement of this year over last, I mean 1923 over 1922, was in some issues \$18,000,000 odd, in others, up to \$20,000,000—a long way from \$61,000,000. But I have had opportunity to examine the returns of the National Railways, and those I propose to give to the House to show just what the railway improvement was, to show how near it approached \$61,000,000, which sum it must have reached if the presentation of this year is right and honest comparable with last year and previous years. There was no improvement even of \$20,000,000 as the figures taken directly from the railways' own returns will show.

In getting at the real comparison the following three classes, making up among them the total operating results, appear in the returns: (1) Operating income; (2) Non-operating income; (3) Deductions from income. The following is a comparative statement of the results in each case:

1. Operating income—1922, loss of \$1,227,508.34; 1923, profit of \$16,273,238.81; showing improvement for 1923, of \$17,500,747.15.

2. Non-operating income—including rentals received for cars from other roads, rentals of joint terminals, premises, and so forth, 1922, \$10,055,367.83; 1923, \$7,885,081.48; showing decrease for 1923, of \$2,170,286.35.

3. Deductions from income—including rentals paid for cars, rebates for joint terminals, premises and other items, 1922, \$7,387,481.13; 1923, \$10,656,671.28; showing greater payments out for 1923, of \$3,269,190.15.

These three results taken together, therefore, show operating improvement for 1923, to have been only, \$12,061,270.68.

I have left out all reference to fixed charges. I am simply taking the operation, and the net improvement on operation is \$12,061,270.68 for 1923, by the railway directorates own showing, by their official returns.

There is, however, still a fourth factor to be taken into account, viz.: the fixed charges for 1923 as against the fixed charges for 1922. The figures for these items are as follows: Fixed charges, 1923, \$65,199,323.95; fixed charges, 1922, \$59,400,476.11; showing fixed charges for 1923 greater by \$5,798,847.84.

Deducting, therefore fixed charges—which I admit a government does not have to advance all in cash, because it is mostly owing the government itself—from improvement in total operating revenues, we find a net improvement of only \$6,262,422.84. I am ready to leave out fixed charges, ready to leave out the increase of \$5,798,847.84 the year before, and the most they can possibly show is \$12,061,270.68. How then does the minister come and say that on account of the railways, and only \$870,000 on all other accounts, we are \$62,000,000 better off on the past year's showing than we were the year before?

The matter can be presented in another way. For the fiscal years 1922-23, Mr. Fielding, as Finance Minister, advanced out of the national treasury to the National Railways and marine, \$98,250,720. For the fiscal year 1923-24, there has been advanced out of the treasury for the same purpose only, \$25,281,664. The difference is, \$72,969,056. Mr. Fielding advanced moneys from the treasury for the purposes of covering deficits on operation, fixed charges, and new capital investments, including equipment. For 1923-24 the device was adopted of guaranteeing the railway bonds both for equipment and those other purposes to the extent of, in the case of equipment, \$22,500,000, for other purposes, \$50,000,000, or a total of, \$72,500,000, practically the difference between the cash advances of the past year and that of the year before.

It will be seen at a glance that to compare this year with last, or indeed with any previous year, the whole \$72,500,000 must be added to the capital debt of Canada.

The result is this. That the national debt of Canada for 1923, has been increased by the sum of, \$72,500,000—the guarantees—less the sum of, \$30,409,109.37—alleged surplus—The net result, therefore, is an increase for 1923-24 of, \$42,090,890.63.

Now, how was this done? The railway is our corporation; it is another name, a chartered name for the Dominion of Canada. The minister endorses the notes of our corporation for \$72,500,000; then he says that those \$72,500,000 are bonds which we have endorsed inasmuch as we just put our name on the back instead of on the front and therefore we have not affected the debt of Canada. And the Prime Minister says: We are not deceiving the country when we tell them we have reduced the debt. The Minister of Railways (Mr. Graham) arises and says: "Oh, you endorsed the notes of the railway too, and did not add the amount to the national debt."