

was that deficit incurred? Most of it was incurred in three years as follows:

Year	Deficit
1923..	\$21,000,000
1924..	23,000,000
1930..	29,000,000

The latter is the only one to which my right hon. friend referred. That makes \$73,000,000 in those three years of the \$86,000,000. Yet my right hon. friend with considerable alarm says: You have here a deficit of \$86,000,000 in interest earning power in the last eight years, in addition to which the people of this country paid interest on \$604,000,000 advance for the running of the enterprise. He does not believe the people understand the obligations which have been imposed upon them.

Nobody so far has had any doubt about the matter. My right hon. friends sat in the committee on the Canadian National Railways year after year. I am sure resolutions have been moved by the Minister of Trade and Commerce (Mr. Stevens) for the adoption of the report in connection with the Canadian National Railways. I think it was in 1929 my hon. friend made a very illuminating address in regard to the finances of the Canadian National and he did not find any particular fault with the loans amounting to \$604,000,000 which had existed since 1911. He did not seem to think the railway had done so badly, and I may say that of the \$1,168,000,000 due to the public, a certain number of perpetual debentures date from 1875. Therefore there is no need of registering surprise at this late date with regard to the finances of the Canadian National. They have been before the house continuously and and my hon. friends have had every opportunity to investigate and bring them to the attention of the house.

Mr. MANION: Does my hon. friend mean that the amount of \$1,168,000,000 has existed since 1875? I do not think wrong figures should go out to the public.

Mr. RALSTON: A portion of it.

Mr. MANION: That is quite different. It was only a very small portion of it.

Mr. RALSTON: I can go further back than that. Some date back from 1858 and some from 1883. I did not think I conveyed the idea that the whole amount of \$1,168,000,000 had existed since 1875, and I am sure nobody who has sat in the house and voted moneys to be lent to the Canadian National would be under misapprehension in that respect. I submit to my right hon. friend that no good purpose can be served by giving the

impression that the finances of the Canadian National Railways have suddenly gone wrong. The finances of the Canadian National Railways have been spread on reports which have been placed before the house year after year; they have been investigated by committees of the house; officials of the road have been before the committee, and it is not doing any good service to the country, or the Canadian National, this great experiment in public ownership which we are conducting, for the Prime Minister in one breath rather to insinuate that the railway is behind some \$604,000,000 which he himself calls a bookkeeping entry, and in the next to insinuate that something wrong has been done by hon. members on this side to permit that state of affairs to continue, when the fact is that everybody in the house is cognizant of the situation and the only difference between this year and last is a deficit of \$29,000,000 which has been added to the expenses and that is after paying interest to the public on an amount of about \$1,200,000,000.

I want to refer hon. members to what was said not very long ago by the minister who sits to the right of the Prime Minister. On March 8, 1928, the present Minister of Justice (Mr. Guthrie), as reported at page 1122 of Hansard, had this to say about the railway that had all these loans and deficits:

Nobody will pretend—not the Minister of Railways, for he knows too well, nor the Minister of Finance—that this government or any member of it is entitled to a particle of credit for the improved showing made in connection with the Canadian National Railways. The management of the road is supposed to be entirely divorced from government control.

I commend that to my right hon. friend the Prime Minister who suggested that the Minister of Railways had been able to get a coal furnace installed in the Canadian National railway hotel in Vancouver. I thought the railway was free of government control altogether.

Mr. BENNETT: No man knows better than my hon. friend that it was not.

Mr. RALSTON: To continue:

It is under the absolute control, so far as management goes, of Sir Henry Thornton and his board, without government interference, and they are entitled to the full credit for the result obtained—\$125,000,000 of relief for the treasury of Canada in four years.

That is the testimony of my hon. friend the Minister of Justice only three years ago. Here is another one:

The real fact is that the Finance minister and the Minister of Railways are endeavouring to appropriate to themselves the credit that is due to Sir Henry Thornton. They are endeav-