

Mr. DUNNING: No more is eliminated than is charged to the consolidated fund.

Mr. BENNETT: Yes.

Mr. DUNNING: There cannot be.

Mr. BENNETT: Certainly. That is the whole point. If we had merely eliminated these items about the old Grand Trunk and the Canadian Northern there would never have been any trouble about it, but this elimination is \$1,843,000,000—total liabilities eliminated.

Mr. DUNNING: But not so far as the liability to the government is concerned. The liability to the government is reduced only by that sum of \$388,000,000 appearing on page 14a. I am sorry to differ with the right hon. gentleman.

Mr. BENNETT: I am sorry too, but the facts show quite the opposite. That is the whole difficulty. However, the other sections deal with the securities trust. I have been unable to find any precedent for action such as that which has been taken. I think the bill should provide that any surpluses shall be paid without question, and not leave it to anybody's option. If the eliminations were a small sum such as was mentioned by the Minister of Finance I would not be concerned, but the eliminations reach the tremendous sum of \$1,843,000,000; the details of them are given.

Mr. DUNNING: But not eliminated as respects moneys owing by the companies to the dominion.

Mr. BENNETT: Oh, they are eliminated from the accounts as shown, as due to the country by the company. That is the whole trouble. They are eliminated from the National Railway accounts. I know the Minister of Finance is astonished that they are eliminated, but there we have the details. I did not prepare this. This bill came to the house from the committee. That is what I started out this afternoon to point out.

Mr. DUNNING: The various credits and charges are set out as between the railway, on the one hand, its own future accounts on the other, and finally the consolidated fund of Canada, and the only sum chargeable to the consolidated fund of Canada aggregates \$388,000,000, representing the difference between the previous item and the total outstanding of the stocks and debentures represented by it.

Mr. BENNETT: I am sorry, the minister is wrong. That represents the sum of money spent on government railways. Surely the minister—

[Mr. Bennett.]

Mr. DUNNING: I have the wrong page. The correct figure is \$361,000,000 odd.

Mr. WALSH: On page 2 of the public accounts of Canada, 1936, there is an item of \$655,527,455.83, and out of that the minister proposes to put into the consolidated revenue fund the sum of \$372,539,149.07.

Mr. DUNNING: Schedule B includes all the charges and credits contemplated by this bill. That is what I had reference to, and the charge there to the consolidated revenue fund is \$365,823,120.38. There is no further adjustment except the item on the following page:

Credit — railway accounts	
(old)	\$25,607,393 53
Charge consolidated fund of	
Canada	25,607,393 53

In the recapitulation which follows, credits and charges are set out, and the final item in that recapitulation represents a charge to the consolidated revenue fund of Canada of \$392,206,534.16, which represents the amount the Department of Finance will have to take out of non-active assets as part of the debt.

Mr. CAHAN: We were dealing with the balance sheet of the Canadian National Railways. That was the point at issue. It appears on page 13 of the appendix to the revised bill, which shows that from the investment as now published there is being eliminated altogether the sum of \$262,770,972.03. But on the other side there is being eliminated from the liabilities of the company the sum of \$1,843,754,391.48, from which I suppose there is to be subtracted the \$262,770,972.03. We were dealing with the company's own consolidated balance sheet presenting a real picture of its condition. We were not discussing the consolidated revenue account presenting a picture of the dominion treasury's position, because in the ordinary financial statement, whether you add to it the liabilities in connection with guaranteed bonds which have not accrued, or indicate that as a collateral—

Mr. DUNNING: As a contingent liability.

Mr. CAHAN: Or as a contingent liability, the public accounts of Canada will state the net effect.

Mr. DUNNING: We are talking about different things. I am naturally interested in the treasury point of view, and from that point of view the write-down is precisely the figure I gave. It represents the transfer of that amount from non-active assets to a direct charge against the consolidated revenue fund.