

Mr. MATTHEWS: Well, sir, would you say that a balance sheet that is drawn and adjusted to the situation as it exists to-day—which certainly is that this country is the proprietor of this enterprise—would you say there is any camouflage in acquainting the people of the country with the fact that there is no question of these moneys, or this property, being collectible and that you are setting the accounts on the basis of conditions as we believe them to exist? Regardless of the amount of money you have poured into these properties the fact of the matter is that out of the mess you have only a certain equity, and that is the money you have put into the capital.

Hon. Mr. BLACK: I do not think this measure was intended as camouflage at all, but the explanation you are giving now would almost lead me to believe it was. I say the truth will prevail.

Mr. MATTHEWS: Yes.

Hon. Mr. BLACK: And I can see no objection to stating the facts and having a clear concept in the minds of the legislators at all events.

Mr. MATTHEWS: That is what is proposed, in the public accounts of Canada, without qualification of any kind.

Hon. Mr. COTÉ: We do not sell the bonds of the Canadian National Railways on the basis of the balance sheet, but on the credit of the Dominion of Canada.

Hon. Mr. HOWE: How do you account for the difference in the price?

Hon. Mr. COTÉ: If publication in the appendix is going to hurt the credit of anybody it will be the credit of Canada.

Hon. Mr. HOWE: It seems to me the position is this. In our public accounts we show the total amount of the debt of Canada. It is quite proper for us to break down that debt in any way we like. We can say that debt arose to a very considerable extent out of our expenditures on railways. But when we take the Canadian National balance sheet we have a debt that is all the debt of the Canadian National Railways, or will be if this Bill goes through, and we show certain assets that have been created by that debt. Why paint a historical record there? I cannot imagine any man taking that up. He will want a definition of what this is. Is this something extra to the balance sheet? How does it arise. It does not arise out of the balance sheet. What has this to do with the annual report of the Canadian National Railways? You will have to explain that it is a historical record. How can you explain to a business man the putting of a historical record in what purports to be an annual statement?

Hon. Mr. DANDURAND: Except to frighten him.

Hon. Mr. HOWE: I could not think of an explanation. It seems to me it is a question of putting the statement in the right place. If anybody wants a historical record of what we have spent in railways he will find it in the report of the Department of Railways and Canals, now the Department of Transport. That is quite all right, and I am entirely agreeable to putting that in where we have a record of the public money that we have spent on it.

Hon. Mr. DANDURAND: And producing it yearly to Parliament.

Hon. Mr. HOWE: Certainly. How did the debt arise? Turn over the page and we will see what we spent on railways. That is very proper. You can show what we spent on canals and harbours too. But why further befog the balance sheet when the purpose of this Bill is to clear it up?

Hon. Mr. LAIRD: What would the value of these securities be on the market if it were not for the guarantee of the Dominion Government behind them?

Hon. Mr. HOWE: I do not know. I would not say they would be valueless over a period of years, because the Canadian National Railways are making