

to realize if possible from this bankruptcy—because we are dealing with a bankruptcy—such values as at some time in the future may possibly arise? This bill is so complicated that one can scarcely follow it.

Mr. DUNNING: I questioned myself concerning this section, and naturally I had to consult lawyers. The information given me was that it was desirable to have the company declared to be one comprised within the Canadian National Railways because of the character of some of the securities which would pass to it from various constituent parts of the Canadian National Railways, and in connection with possible claims with respect to certain classes of securities. I am not a lawyer and I can merely convey to the hon. member the answer the lawyers gave me with respect to the necessity for section 22.

Mr. CAHAN: I know that if the minister will look through his records, as undoubtedly he has, he will find that as Minister of Finance he is in exactly the same position with regard to other claims. No claim can be made against him except by petition of right, and no claim can be settled under petition of right except with his consent, which is subject to the approbation of the governor in council. Why should we depart from that practice, which is so simple, so easily followed, not at all complicated, and quite satisfactory?

Section agreed to, on division.

On section 23—Securities Trust to report annually to parliament.

Mr. BENNETT: I should like to refer to page 6, schedule A, "summary of indebtedness transferred to Securities Trust, as at December 31, 1936." It deals with loans for capital purposes amounting to over \$270,000,000, and loans for deficits over \$373,000,000, making a total of more than \$643,000,000. The accrued interest is set out at \$574,000,000. In connection with that item there are the words "See note." Then you turn over. The Chateau Laurier will now become a property of the Securities Trust because it belonged to the Grand Trunk Pacific Development Corporation. On looking down the list we find the indebtedness to be transferred to the Securities Trust. In other words, we have made a selection; we have picked out of all the securities that have been issued in connection with the enterprise certain ones that we hand over to the Securities Trust; and certain ones we keep in the treasury. That is what it gets down to. I ask the minister to look at pages 7 and 7A.

Mr. DUNNING: I would like the right hon. gentleman to tell me what will be left in the hands of the Minister of Finance other than the stock of the securities trust.

Mr. BENNETT: That is what I have pointed out. You have picked out certain things. Look at the set-up of the railway itself that is to go to the Minister of Finance. This will be found at pages 14 and 14A.

Under assets we find investments in road and equipment, improvements on leased railway property and miscellaneous physical property. That is the whole story, plus sinking funds, deposits in lieu of mortgaged property sold, investment in affiliated companies and other investments. There are ten items there covering the new set-up.

On the other side we have the liabilities made up of capital stock, governmental grants, long-term public debt and so on.

You have picked them out. Why? If the minister will look at page 14A he will find governmental grants, \$3,013,748.90, and long term debt, public, \$1,184,612,248.59. Then in schedule A, to be found on page 7, we find the three railway systems, Grand Trunk, Canadian Northern and Grand Trunk Pacific. In connection with the Canadian Northern we find 3½ per cent loan, chapter 6, 1911. This is the charge on premises mortgaged October 4, 1911. Then we have a 4 per cent loan, a 5 per cent loan, a 6 per cent loan, a temporary loan, repaid, and so on to the item "mortgage covering loans above." These have been picked out to be put in the hands of the securities trust instead of being included in the liabilities of the railway. Why? I have asked that so often that I am weary. Surely there must be some reason.

Further down on the page we find the Grand Trunk Railway, 6 per cent loan, 6 per cent loan, 4 per cent loan, and so on. The total in this case is \$118,582,182.33. Then we come to the Grand Trunk Pacific, with a total of \$116,006,589.08. This last item includes the capital stock of the Grand Trunk Pacific Development Company, \$2,999,000 held by the Minister of the Interior. Running down the last column on page 7 we find \$668,000 in the hands of the Continental Illinois National Bank and Trust Company, Chicago; \$24,573,539.90 in the hands of the railway treasury, Montreal. That is an entirely different matter and concerns another phase of this financial structure. Then we find \$20,721,191.12 in the vaults of the Royal Trust Company, Montreal. Why pick out some and leave the others? You see, they are all long-term debts.