

REPORT TO THE HOUSE

Fifth and Final Report

FRIDAY, April 2, 1937.

The Standing Committee on Railways and Shipping owned, operated and controlled by the Government begs leave to present the following as its Fifth and Final Report.

Your committee has held nine sittings during which it has dealt with the following matters referred by the House viz:—

(a) Bill No. 12, an Act to provide for revision of the accounting set-up of the Canadian National Railway System.—Reported upon March 11.

(b) Items Nos. 96, 97, 293, 361 and 362 of the Main and Special Supplementary Estimates.—Reported upon March 22.

(c) Bill No. 73, an Act to authorize the provision of moneys to meet certain expenditures made and indebtedness incurred by the Canadian National Railways during the calendar year, 1937, and to authorize the guarantee of certain securities to be issued by the Canadian National Railways.—Reported upon March 23.

(d) The financial statements of the Canadian National Railways, including the annual report of the Canadian National Railway System, the Auditors' Report, the annual report of the Canadian Government Merchant Marine, Limited, and the Canadian National (West Indies) Steamships, Limited, and the Canadian National Railways' and the Canadian National (West Indies) Steamships' budget for 1937.

With respect to Bill No. 12, although your committee expressed its willingness to hear representations on the subject matter of the Bill, the Canadian Chamber of Commerce, Montreal, were the only applicants for a hearing before the committee, their representations having been made through the Chairman of their executive, Mr. Henry W. Morgan.

Your committee appreciates the assistance given by the officers of the Canadian National Railways and the Deputy Ministers of Transport and Finance during the examination of the Bill and Schedules pertaining thereto.

In reporting the said Bill to the House, your committee recommended the following main amendments:—

(a) Amendment to Section 8 providing for the inclusion in the Public Accounts of the adjustments (set out in Schedule "B" of the Bill) of differences between the Public Accounts and the accounts of the National Railway System and the Hudson Bay Railway;

(b) An additional clause providing for an annual report to Parliament by the Trustees of the Securities Trust; and

(c) A further additional clause providing for an appendix to be added annually to the Public Accounts of Canada, indicating the total assistance given to all railways by the Dominion Government and the manner in which such assistance has been dealt with in the Public Accounts.

In order further to clarify the Bill, it was deemed advisable by your committee to substitute the 1936 figures for those of the year 1935, as given in the original Bill, in Schedule "A" and "B," as well as in Appendices 4, 5 and 6 of the Bill.

The Annual Report of the Canadian National Railway System for the year ending December 31, 1936, shows a cash deficit of \$39,900,000. For the year 1937, the operating revenues are estimated at \$205,000,000, and the oper-