

Mr. RALSTON: That \$604,000,000 was loans made not to the company—my right hon. friend used the word “company”—but made as far back as 1911 to the Canadian Northern Railway, the Grand Trunk Railway, and the Grand Trunk Pacific Railway, for purchases of railway equipment, and finally \$57,000,000 out of the \$604,000,000 to the Canadian National Railways. Those loans begin not in 1923, the beginning of the eight-year period mentioned by my right hon. friend, but back in 1911. My right hon. friend is quite correct in saying that this was a bookkeeping entry; it was nothing else, and I as a private member of the house have always understood it as a bookkeeping entry. These advances were made from time to time by the government to the various sections of what is now the Canadian National Railways. The railway has never been expected to pay a dollar of interest on this \$604,000,000; it has always remained on the books and some day when the financial reconstruction of the railway takes place that amount will be wiped off. The suggestion contained in the last passage of the remarks of my right hon. friend is that the gentlemen who are now the official opposition “initiated” the charges for this interest on the \$604,000,000. Only \$57,000,000 was initiated since 1923; there was one amount of \$42,000,000 paid to the Canadian Northern back in 1922, or practically only \$100,000,000 in all, out of that \$604,000,000 that was advanced under a Liberal administration. I want the house and the country to understand that my right hon. friend’s insinuation that this was initiated by hon. gentlemen on this side, is incorrect. But what about the railway? Did my right hon. friend give a true picture of the finances of the railway in respect of that matter? I think the report of the railway to December 31, 1930, has been brought down to the house. I find there a record of the \$604,000,000. I think my right hon. friend mentioned \$614,000,000 because he was dealing with matters down to March 31, 1931, instead of December 31, 1930.

Mr. BENNETT: I dealt with the public accounts. My hon. friend is dealing with the calendar year.

Mr. RALSTON: I am dealing with the accounts as supplied by the Canadian National, and if there be any discrepancy between the figures given by my right hon. friend and myself, it is due to the three months’ difference between December 31, 1930, and March 31, 1931. There were loans amounting to \$604,000,000 from the Dominion of Canada, loans which, as I said, were never intended to be paid back, and which were spoken of re-

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peatedly throughout the debate to which I shall refer in a minute, as bookkeeping entries.

Mr. MANION: Why does the hon. member say that they were never intended to be paid back?

Mr. RALSTON: The expression “bookkeeping entry” has been used repeatedly. As a private member I always understood that they would not be paid back. Perhaps I am wrong, and the Minister of Railways has a perfect right to say that they will be. I do not, however, think they will. Only a year or two ago the present Minister of Justice (Mr. Guthrie), speaking in the house, again referred to them as bookkeeping entries, and I assume that would indicate they were not intended to be a permanent charge against the railways.

Mr. MANION: Only because the railway has not been able to pay them back.

Mr. RALSTON: With all due deference may I say I do not think my hon. friend is quite right about that. The fact that the railway has not been able to pay it back does not make it any the less a debt; but when you call it a bookkeeping entry, that means you do not intend that it shall be paid back.

In addition to the \$604,000,000, this record shows that there is \$1,168,000,000 due to the public on guaranteed and unguaranteed liabilities, and with respect to that, the position of the railway has been that if we assume it has paid the full interest to the public on \$1,168,000,000, or a charge of about \$50,000,000 a year, straight through since 1921, after paying that it has a deficit of only \$86,000,000. That is the \$86,000,000 to which my right hon. friend referred. One would have thought there had been some recent advance of the \$604,000,000. The deficit of \$346,000,000 to which my right hon. friend referred is arrived at by charging interest, not only on amounts which are due to the public, but on the \$604,000,000 bookkeeping entry. My right hon. friend admits that at another point in his address.

Mr. BENNETT: My figures are taken from the company’s report.

Mr. RALSTON: Certainly. But there is the inference on the record. My right hon. friend may not have intended to convey it, but he certainly gave me a wrong impression as I listened to him the other day. I find the \$86,000,000 is a deficit after paying every dollar due to the public on account of interest on the \$1,168,000,000, operating expenses and everything of that kind. When