

"George A. Touche and Company, chartered accountants of the city of Toronto" be inserted in section one of this bill.

I ask the minister if he has been quite fair in his statements to-day, and if there is not something that he has not told us with regard to this change. We can go back to the day when the Prime Minister, in connection with that same bill, told us that the railways no longer belonged to the people of Canada but belonged to those holding bonds. We can go back to his radio broadcast of January 2, 1935, when he told us that the return to prosperity depended upon the solution of the railway problem, but he left it at that for the next four or five broadcasts without explaining what he meant. We can follow him on to Toronto, to a board of trade meeting at which he stated that the solution of the railway problem is not a responsibility of the government but a responsibility of the people, and by that statement I say that he meant that it was a responsibility of the people to return him to power so that he could bring about the amalgamation of these two roads.

The minister says that adjustment of the capital structure is a dead issue. It is not a dead issue to the enemies of the Canadian National Railways. I agree that it does not make any difference with regard to the interest that may be paid, but it does make a great deal of difference to those who are piling up and pyramiding the interest on that debt structure. So while the minister deprecates it, laughs at it and says there is no justification whatever for it, I do submit that he has not satisfied very many on this side of the house with the explanation he has given for the substitution of the Clarkson firm for George A. Touche and Company.

Mr. MANION: Mr. Chairman, I rather think it would be somewhat difficult for those on this side of the house to satisfy hon. gentlemen on the other side, so I am not particularly worried about not satisfying them. Even if they were perfectly satisfied, as they indicated they were by their vote on the unemployment insurance measure, they would continue to criticise us, so it is a little difficult to satisfy my hon. friends, and particularly I have no hope of satisfying the hon. gentleman who has just sat down, and who has made every endeavour to turn this into a political question. He even dragged in by the hair of the head the old question of amalgamation, for which, by the way, no one on this side of the house has ever spoken so far as I know; not a man on this side of the house has ever come out for amalgamation, but at least two hon. members on the other side

[Mr. Gray.]

of the house have done so. So it is rather far fetched to try to drag in the question of amalgamation and use it against us. Within the last two months as Minister of Railways I have made two speeches, one in Smiths Falls and the other in Brockville, both of them against amalgamation, and I think probably I can speak more for the government than my hon. friend can, with all due respect to him.

For a few moments, Mr. Chairman, I wish to deal with the remarks of my hon. friend from North Waterloo, which were a good deal more moderate than those of the hon. gentleman who has just taken his seat. The hon. member for North Waterloo discussed the question of the recapitalization of the Canadian National. I quite admit his right to do so; I quite admit that it enters into the discussion here to-day, and I have no criticism to offer in that regard. But I do say that it is a very debatable question, and I am sure my hon. friend will agree. I admit as well that there are some items in the Canadian National balance sheet, charged against the Canadian National and debited to them as owing to the government, that might well be wiped out. I do not quarrel with that, but the question is the same as it was when his government was in power; the difficulty is to arrive at something in the way of a fair decision in regard to that balance sheet. I quite agree that the day will come when the balance sheet will have to be straightened out.

The hon. gentleman dealt with some of the items, and with some of his statements I have no quarrel at all. I agree that some of the items might well be dealt with but, as was realized by the late management and the late government, and as is realized I think by the present management and the present government, it is a question that requires a great deal of investigation in order to decide rightly as to what should be done. For example, supposing we did as the hon. gentleman suggests and wiped out, not the \$270,000,000 of stocks which are charged up against them, which item I think should be reduced to about \$18,000,000, but a great part of the other liabilities charged up to the Canadian National in the railway balance sheet. It must not be forgotten that the greater part of those debts represent actual money paid either for capital expenditure or for interest upon some of that money. My hon. friend agrees that this is correct. Well, there are those who rightly say, "Why should we hide the picture?" That is the argument of the other side, and if we carry out the