

## C.N.R.—Accounting

Mr. BENNETT: Just a moment; I am not finished. I come now to the annual report for 1936, and at page 10 I find these figures:

System net loss. . . . . \$92,311,037 88

The figures for the previous year are also given, \$115,281,689.79. Then:

Deduct—Contributions for deficits from the government—

	1936	1935
C.N. Railways ..	\$37,449,321 57	\$41,795,757 24
Eastern Lines ..	5,550,632 36	5,265,373 20
P.E.I. Car Ferry and Terminals.	303,439 89	360,334 36
	\$43,303,393 82	\$47,421,464 80

That is in order to get the change in the position, which is the figure I gave and the figure I am sticking to. According to this report the change during the year in the profit and loss account was \$48,381,230.85, against \$67,233,811.78 the year before, showing a betterment. But the balance at January 1 is given, carried forward as I said.

Mr. DUNNING: That balance is modified in each case by the amount paid by the dominion.

Mr. BENNETT: Oh, no. The deficits are set out and then the balance is struck as of the 31st December, and here are the figures of the balance. He who runs may read. The figures are: \$856,274,487.20. That is for the year ending 31st December, 1935, carried forward in the account of 1935 as the debit balance on the 1st January of last year. At the end of December that amount had risen to \$904,655,718.05. There is the record of the deficits, cumulative, without interest, and the deficit standing against the Canadian National railways on the 31st December, 1936, was \$904,655,718.05, which includes the deficits of 1932, 1933, 1934, 1935 and 1936.

Some hon. MEMBERS: Oh, no.

Mr. BENNETT: It does; there can be no argument about it.

Mr. HOWE: It does not.

Mr. BENNETT: It says here distinctly that it does.

Mr. DUNNING: It is deducted each year.

Mr. BENNETT: Pardon me; it is not deducted each year. It is deducted in order to ascertain the cash position, but that is stated, and the change in net position is indicated by these figures. Here are the figures: December 31, 1934, \$789,000,000 odd; December 31, 1936, \$904,000,000 odd.

Mr. HOWE: Would my right hon. friend allow me to explain where those figures come from?

[Mr. Howe.]

Mr. BENNETT: Yes. They are there, anyway.

Mr. HOWE: I have here the report for the year ending December 31, 1936. If my hon. friend will look at that report he will see that the system's net loss figure for the year 1935 was \$115,281,689.79. The system's net loss for that year was that amount.

Mr. BENNETT: Yes, for 1935.

Mr. HOWE: Yes. For 1936 it was \$92,311,037.88. In each case there was deducted from that figure the cash contributions by the dominion government in respect of cash deficits, and a non-cash item representing some \$67,000,000 in the one case, and \$48,000,000 in the other, was carried forward into the cumulative deficit, but the amount that was paid in cash by the government to cover the cash deficit was not carried forward. It was deducted, and the remainder was carried forward.

Mr. BENNETT: But the point I made was that these annual reports distinctly show the amount of money the dominion has paid for deficits. Is that so, or is it not?

Mr. HOWE: Only for the current year and the previous year.

Mr. BENNETT: Certainly; the annual report shows the cash deficit paid by the government of Canada every year. It appears in the profit and loss statement, where you would expect to find it.

Mr. DUNNING: But they are not cumulative.

Mr. BENNETT: But the point I am making is this: The Minister of Transport said this afternoon that we had not shown the deficits in the annual reports since 1932, and the Minister of Finance has repeated that statement. I said I did not think that was so, but I sent out and secured the reports. Surely I can read. Hon. gentlemen opposite probably will deny that I can do a great many things, but at least I can read and write, and here the deficit is set out, as compared with the preceding year. I sent out and got the reports for the last five years, and I have read them into the record. I was very anxious that these deficits should appear, and when I was confronted with the statement that they had not appeared I sent out to make sure.

Mr. DUNNING: In the sense in which my right hon. friend is now using the figures I never doubted that they were there. We are merely talking about different things.