

Rates Act, 1927, and the Canadian National-Canadian Pacific Act, 1933, which amounts are duplicated in the net debt of Canada.

I will now read the footnote, the clause as it will be amended by the foregoing:

A footnote shall appear in the said accounts stating that the proprietor's equity is included in the net debt of Canada and that expenditures by Canada on Canadian National railway system are set out in the historical record of government assistance to railways as shown in the public accounts of Canada.

Right Hon. R. B. BENNETT (Leader of the Opposition): The difference between the senate and the minister is the difference between those who desire to disclose the situation and those who desire to cover it up. That is the story. We may talk about it for the rest of the week, but that is the fact.

Mr. HOWE: We want to disclose it, but at the same time we do not want to magnify it.

Mr. BENNETT: It cannot be magnified. I know nothing of the figures because I have not sent for my books to check them up, but the minister has now said that the effort is to cover it up. It is absurd to say that this is a part of the balance sheet. I do not think that any accountant ever said that this kind of footnote forms a part of any balance sheet. I should like to see over the signature of an accountant the statement that a note of this kind is a part of the balance sheet. Every day statements are made—I can show many of them—as to how an amount is made up, but such statements are not regarded as part of the balance sheet; they are explanatory. Here the statement is made that certain amounts are disclosed in the net debt of Canada. I agree with the minister that they should be accurate; but certainly his explanation makes it clear that the desire is to cover it up. I do submit again that it is a very bad thing not to have in the balance sheet of the Canadian National Railways the information which heretofore we have had. We had the information about the deficits under the Canadian National-Canadian Pacific bill of 1933. They are all there. I read them the other day from page 10 of the balance sheet. They are there every year, and no attempt has been made to cover them up nor have there been any statements as to their being included in the national debt.

The suggested amendment would be all right were it not for the fact that it is not strictly accurate inasmuch as that sum included some old Canadian National and Grand Trunk matters which only subsequently came into the Canadian National system. It might be put this way:

[Mr. Howe.]

A footnote shall appear in the said accounts stating that the proprietor's equity is included in the net debt of Canada and in the historical record of government assistance to railways as shown in the public accounts of Canada.

It would be inaccurate to say that it is shown in the report with respect to assistance given to the Canadian National Railways, because they did not come into being until long after a portion of the money so indicated had actually been expended on these roads. It must be remembered that this originated with the government itself. Section 24 is merely a statement of principle which the government suggested to the committee and which is now more fully set out; and to say that the indebtedness is disclosed in the net debt of Canada and in the historical record of government assistance would be strictly accurate in view of that clause, the principle of which was suggested by the government, the adoption of it in its present form being merely an expansion of what was originally stated as the principle.

I cannot see that the suggested amendment meets the situation from the standpoint of accuracy, to which I am sure the minister is as desirous as I am to adhere. Perhaps he would read the whole section.

Mr. HOWE: I will read the section as a whole, as it will appear:

A footnote shall appear in the said accounts stating that the proprietor's equity is included in the net debt of Canada—

As a matter of fact it is there to-day, and this statement is necessary to clarify the balance sheet. We are adding:

—and that expenditures by Canada on Canadian National Railway system are set out in the historical record of government assistance to railways as shown in the public accounts of Canada.

In other words, we are tying up the balance sheet with the statement in the public accounts, and to put a definite figure in there would be misleading because the figure will not be the same from year to year.

Mr. BENNETT: Only with the permission of the house—for I have no right to speak again—I think the minister will find that the statement he has made, assuming that he leaves out the figures altogether, will not reflect the true situation if he desires to be accurate. He is using "is included" instead of "is disclosed." I think he is right in saying "is included in the net debt of Canada."

Mr. HOWE: That is what we want to say.

Mr. BENNETT: That is all right. Then there should follow after that: "and disclosed in the historical record of government assis-