

Hon. Mr. LYNCH-STAUNTON: Yes, it is.

Hon. Mr. BEAUBIEN: That is the amendment to clause 11.

Hon. Mr. LITTLE: Honourable members, the footnote, which will be attached to the statement on pages 14 and 14a, reads as follows:

Proprietor's equity is included in the net debt of Canada and in the detailed historical record of Government assistance to railways, as shown in the public accounts of Canada.

Hon. Mr. BEAUBIEN: That is the amendment to clause 11.

Hon. Mr. LITTLE: That is the footnote.

Right Hon. Mr. MEIGHEN: The point is that the honourable gentleman opposite has not moved an amendment. My honourable friend to my right (Hon. Mr. Beaubien) had to tie his amendment in with the Bill, and he proposed that clause 11 provide for a footnote. If instead of the amendment proposed we were to take the amendment suggested by the leader of the House, it would read:

That the following words be added to section 11 and, as a footnote, to the balance sheet:

"Proprietor's equity is disclosed in the net debt of Canada."

That is the position we are in now. I wish to say a few words on the proposed amendment.

Hon. Mr. DANDURAND: I suggest that my honourable friend (Hon. Mr. Beaubien) should not move the amendment, so that we may have an opportunity to see if we can agree.

Right Hon. Mr. MEIGHEN: Yes. I may say that I appreciate greatly the evident effort of the honourable leader of the House to avoid a clash of views and a vote on this matter. I do not think it is a fitting subject for a clash of opinion. Perhaps I do not appreciate the position or its gravity. I know it is important, but I do not think the exact terms of the footnote or its exact location is a matter that goes to the very roots of our life, and I think that we ought to be able in some way to agree upon the subject. Before I sit down I shall make a suggestion as to what I think ought to be accepted by the House; and I would ask honourable members, especially those around me, to address themselves to the problem in the same spirit in which I seek to address myself to it now.

The honourable senator to my right (Hon. Mr. Beaubien) has proposed an amendment, and has stated as cogently as anybody could

the reasons for it. I will not attempt to improve upon his presentation, because I could not do so. There is, he says, a big problem confronting this Dominion; it has been before us for years; it is growing in intensity, as is the peremptory character of the demand for its solution, and in all we do in the interest of Canada we ought to keep the nearness and the real danger of that problem before our people in order that they may see the necessity for facing the situation and meeting it.

The Bill before us is to provide for a new form of bookkeeping for the Canadian National Railways. Everybody recognizes that it does not add a dollar to the value of this country's assets.

Hon. Mr. DUFF: Just tilting at a windmill.

Right Hon. Mr. MEIGHEN: It just deals with the form of the National Railways' balance sheet. We own the railway, or any equity there is in it; consequently it does not matter one whit whether the Bill passes or not. From the beginning of the discussion, and many times in committee, I have emphasized the importance of a fair balance sheet, that is to say, the importance of presenting the real picture of the position of the National Railways, free from unnecessary figures. Something had to be done to bring that about. We have all admitted that the balance sheet, by reason of the incorporation in it of the par value of stock in railroads taken over, contained figures that were merely cumbersome and did not truly reflect the assets or the liabilities.

But in the attempt to reach the desired end, the Bill eliminated all the debt of the railway already included in the debt of Canada. That is quite easily understood. Those who presented the Bill to us said: "When you have in one set of figures the aggregate debt of your subsidiary, the Canadian National Railways, and in another set the aggregate debt of the country, and have over a billion included in the two, you have to explain to anyone to whom you are trying to sell your bonds or your credit that there is a duplication, and you have to argue out the whole thing with them." That is true. In the committee those who agreed with me took the position that while it was important that there should be no duplication, because of the possible effect on our credit and the necessity of making explanations, this could be avoided by the presentation of a consolidated balance sheet of the Dominion of Canada and the Canadian National Railways.