

country for a number of years as assets were not longer to be considered as assets, and he put the net debt at \$2,273,305,436. That is an enormous net debt for this country to be carrying. When you come to figure the interest on that debt at 6 per cent it only amounts to \$136,398,826. So, taking this as the net debt, either we are paying on other items over and above the amount included in the net debt, or the rate of interest is higher than 6 per cent.

In the Supply Bill as brought down we have two items dealing with loans to railways. One is an item of \$48,000,000 for the Canadian Northern railway, and the other is \$25,000,000 for the Grand Trunk railway. In both cases the Government provides that the loans shall bear interest at the rate of 6 per cent; but, as I have tried to show the House, it looks as though the rate of interest should be more than 6 per cent. It would appear as though, when the Government makes a loan to these railways and only charges 6 per cent, the Government is not getting enough interest to cover the rate charged.

We have also in these Estimates other figures dealing with the railway situation. I want to read to the House a couple of items which appear and to which I think attention should be drawn. In the Supply Bill and in the Main Estimates we have an item which reads:

The Canadian Government railways, towards deficit of working expenditure for nine months ending December 31st, 1920, the management of the railways being hereby authorized to apply the receipts and revenues toward payment of the working expenditure, \$5,000,000.

Then, in the Supplementary Estimates there is another item of \$1,000,000, making a total of \$6,000,000. Apparently it is proposed to adopt a system of accounting on the Government railways different from what we have had up to the present. Up to the present time the moneys received have been paid into the Consolidated Revenue Fund, and expenditures have been paid out of that Fund, and the accounts have gone through the Department of the Auditor General. But this item is quietly put in and nothing is said about it. I do not suppose that any honourable gentleman in this House realized what the item was until it was brought to his attention. Apparently it is a change which the Government is going to make without acquainting the country with what they are doing. I do not know whether the country is prepared to have the accounts of the Intercolonial railway and the National Transcontinental

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dealt with in that way. I quite understand that some honourable gentlemen may say in reply, "Of course the accounts will be audited in the same way as other railway accounts." But I do not think, in view of the way the railways have been run in the past, that the Government is quite justified in calmly doing this without giving Parliament an opportunity of saying anything about it. At this late hour of the session it is impossible for any honourable gentleman properly to criticise an action of that kind.

Then we have in the Supply Bill other items of railway expenditure which I do not think should be treated in that way. In fact, I think all items of railway expenditure which are large items, and which deal not with the question of carrying on the business of the country, but with the development of these railways, or the supplying of greater equipment or something of that kind, should not be put into the Supply Bill proper. They should be brought in in a different form, and honourable gentlemen should be given an opportunity of discussing them.

The honourable gentleman from Kings and Albert (Hon. Mr. Fowler) raised the question of bringing the Supply Bill before the Finance Committee of this House. I am sorry that the Finance Committee has not been able to do the work which I had hoped at the time it was established that it would do. I hope that next session the Senate will take this matter up, and consider it, and I trust that they will be able to bring it to the attention of the Government in such a way that the Government will realize that, when the Senate adopted the resolution of the honourable gentleman from Middleton (Hon. W. B. Ross), they were serious and did not pass the motion simply for the pleasure they got out of it.

There are one or two other items to which I think reference should be made. The Government have placed in the Bill the amount of \$1,700,000 for the purpose of dealing with the navy; but they have not stated to the House any definite policy with regard to that question. I think the whole question is a very important one, and one which in the interests of the country should be very carefully considered and discussed. I do not think the Government is justified at the present time and under present conditions in committing the country to an expenditure of this kind until they have thoroughly gone into the matter and decide upon a policy.