

Up to June 30, 1918, these railways had cost a little over one billion dollars and there were 20,259 miles.

If we reckon the tax loss at \$600 per mile and we tax the railways in this country \$622 per mile per year, this loss would amount to \$12,000,000 a year.

But more important still is the fact of high freight rates on all the Australian lines. They are nearly three times as high as in this country, taking the year 1915 as an example. Last year, the people of Australia paid \$65,000,000 for their freight bill. In 1917 rates in Australia were increased by 10 per cent, but most of them were fixed at 5 per cent increase the following year.

These facts, from the official reports of the Government itself, show: Direct losses of \$8,000,000 to \$11,000,000 a year, loss of taxes and on high freight rates total \$40,000,000 a year, or a total loss of some \$50,000,000 annually, and on top of this wages averaging 30 to 40 per cent less than in this country for the railroad employees.

This is a mighty burden upon the taxpayers of Australia. The socialized telegraph and telephone lines lose \$800,000 a year and there are large losses on nearly every other socialistic scheme that those states have plunged into. It is feared that the people have created a pauper state, and at any rate they have created the largest public debts in all the world.

Now, I do not wish that this country, the land of my adoption, should emulate the policy of the Commonwealth of Australia. There are some things we do not wish to excel in, and one in particular is the incurring of debt. I have much pleasure, therefore, Sir, in supporting the amendment of the hon. member (Mr. Fielding.)

Mr. S. W. JACOBS (George Etienne Cartier): Mr. Speaker, I rise to support the amendment of the hon. member for Shelburne and Queens. His address was convincing, cogent and logical; it must have appealed to the good sense of this House. Section 16, if adopted in its present form, would introduce legislation of a revolutionary character, and it behoves all true Liberals to see to it that the necessary protest is made before it passes into law. When this question was originally before the House, the Acting Prime Minister (Sir Thomas White) said that he could not see very much objection to the theory propounded by the member for Shelburne and Queens, but that at the moment without giving it due consideration he thought impracticable. I submit that neither he nor any of his colleagues have presented any argument to justify us on this side of the House in adopting his conclusions. The House of Commons should have full control of the funds of the country, and if this Bill is passed you abrogate one of the most important functions of Parliament.

[Mr. Pedlow.]

I listened with interest to the remarks of the member for Red Deer (Mr. Michael Clark) this afternoon, in fact, whenever he rises I listen with attention and respect, because every one in the House will, I am sure, agree that whether he adopts the views of one side or of the other—he has adopted both on various occasions—what-

ever he says is worth listening 9 p.m. to. I admire his diction and his style; he is one of the most finished orators in Parliament, and is an ornament to this House. Sometimes, in my leisure moments, I read the speeches of the hon. gentleman, for information and instruction. I have a distinct recollection of a speech he delivered on April 12, 1918, on this very question, which came before the House on the following motion of the Minister of Railways (Hon. J. D. Reid):

Resolved, That it is expedient to provide that the working expenses of the Canadian Government railways and of any railway under the charge, management or direction of the Minister of Railways and Canals shall be paid out of the receipts and revenues of the said railway, and in the event of a deficit occurring at any time during any fiscal year the amount of such deficit shall be payable out of any unappropriated moneys in the Consolidated Revenue Fund of Canada, the said deficit to be voted by Parliament at its first session following the close of such fiscal year.

The member for Red Deer spoke with his usual eloquence on that occasion. He said, as reported on page 692, Volume 1, Hansard, 1918:

I trust these railways will be so managed, and I have sufficient belief in the future of Canada to think that if they are well managed they will not show deficits, but whether there are deficits or surpluses the principles of sound finance demand that the statements in regard to them should be placed before Parliament in an annual financial statement. I very well remember listening to speeches, as well as reading all the speeches he made during my lifetime, of that great master of finance Mr. Gladstone. There was nothing he insisted on more than that the expenditures and the incomes of a country should be presented to Parliament each year and be debated by Parliament each year. If that is a sound principle—and in every constitutionally-governed country in the British Empire the principle is one of parliamentary practice—then this is a departure from the universal parliamentary practice of all the constitutionally-governed countries in the British Empire, including the Old Country herself. Before the point was raised by the hon. member (Mr. Fielding) the analogy between the Post Office and the railways occurred to my own mind, and I must say the Acting Minister of Finance was very unsuccessful from my point of view in showing the analogy was not perfect. I think all he said upon the point was really making a distinction without a difference. The analogy to my mind was as perfect as one could find. What was the analogy? The post offices form a department of