

I have here to take exception again, as I have had to do on former occasions, to the method of including appropriations for loans to railway companies in the general Supply Bill. The Supply Bill should be, I maintain, the voting of money for the carrying on of the general, every-day business of the country. I regret that, in spite of protests that have been made for several years past against the practice of voting in the Supply Bill large amounts of money for such purposes as loans to railway companies and loans to the provinces, it is repeated on this occasion. I think that the Senate should take this matter into serious consideration, perhaps not at present, but on some future occasion, and enter a very strong protest against this method of bringing down such items in the Supply Bill. As a rule the Senate does not deal with supply; it is only in very serious cases that this House would think of taking action in this respect. But if the present method is continued, we ought to take some action regarding such items as these loans to railway companies being put through in this way. It does not afford the Senate a proper opportunity of discussing the matter or of dealing with the Supply Bill as it ought to be dealt with.

There is one question with regard to the loans to which I would direct the attention of the House. The amount of the loans to the railways has been increasing from year to year. We have had to make loans to the Canadian Northern for four or five years past, and the amount has gradually increased from \$15,000,000 to \$25,000,000, then to \$35,000,000, and now to \$50,000,000. This year we have to provide also for the loan of \$89,687,633 to the Grand Trunk railway, and the item of \$26,000,000 to the Grand Trunk Pacific, making a total of \$165,687,633 for railway loans. If honourable gentlemen have by them a copy of the Estimates, they will see that it is provided that these railway companies shall pay to the Government 6 per cent for this money. I fear that the Government will have to borrow in this country, in the United States, in England, or wherever it can be obtained, practically all this money in order to be able to lend it to the railways, and the Government will find it very difficult indeed to raise the money. Every honourable gentleman in this House knows the condition of the financial markets of the world to-day. It is very doubtful that the Government will be able to raise this money at 6 per cent. The probabilities are that they will have to

pay more than 6 per cent, and that therefore, in addition to providing this large sum of money to lend to the railways, we shall have to provide next year for the difference between the interest the railways are expected to pay to the Government and the interest which the Government must pay on the money they will have to borrow. I think that our expenditure will be considerably increased in that way.

The Railway Commission last year granted to the railway companies an increase in rates, which must, of course, come out of the pockets of the people. Notwithstanding that increase, we have to provide an enormous sum of money for the railways to enable them to carry on for the ensuing year. The present situation is that the railway companies are virtually waiting for this money, in order to pay their present debts. If it were possible for us in any way to prevent the granting of these loans, and if we did prevent it, we should be tying up a great deal of business in this country; for there are many persons throughout the country who are to-day awaiting the voting of this money in order that their accounts may be paid by the Government.

The country is in a very serious position. I do not want to take up much of the time of the House, but I do think we ought to enter a very strong protest against the enormous amount of money that we are now asked to vote in this Supply Bill. As I have already pointed out, it will be necessary for the Government to raise a considerable sum—I have heard it estimated to be as high as \$200,000,000—for the purpose of carrying on the country's affairs this year. The country cannot afford to continue spending money in the way it is being spent, as shown by these Estimates. I think that in this matter sufficient consideration has not been given to the present condition of Canada. The returns I have before me with regard to the trade of the country show that our trade, instead of increasing, is at the present time decreasing. A return published recently by the Government shows that the total imports of Canada for the twelve months ending April, 1921, amounted to \$1,207,178,994; whereas in the previous year, 1919-20, the imports amounted to \$1,108,563,629. During the same period ending April, 1921, our exports amounted to \$1,179,088,050, whereas in 1920 they amounted to \$1,228,359,325. From these figures honourable gentlemen will see that the imports of the country have increased in that period to