

the necessity here; therefore it will probably be more difficult for our people to realize the obligation that lies ahead of them to save money in order to help to carry on the affairs of the country.

Hon. Mr. SPROULE: If the honourable gentlemen has the figures, I think it would be interesting to know what proportion of the money borrowed was taken up in Canada?

Hon. Mr. BOSTOCK: I have not those figures here.

Hon. Mr. McSWEENEY: You are only speaking about foreign loans.

Hon. Mr. BOSTOCK: I was speaking only about borrowing money outside of Canada.

Apart from being able to borrow money in an outside country, the only ways in which the Minister of Finance can get money for the carrying on of our affairs are from taxation and from what the people themselves are able to save and put into domestic loans. Of course, one other method has sometimes been adopted, and to a certain extent has, I think, been adopted, not only in Canada, but in other countries since the war began, that is, by the inflation of the currency of the country. This is a very dangerous course to pursue and one that cannot be continued for any length of time without causing great trouble and disaster.

Hence we are brought back to the fact that it is incumbent on the people of this country to economize in every possible way, and to reduce as far as possible every expenditure. My honourable friend has pointed out reductions that have been made by the Government in certain expenditures; but I think other reductions could have been made. I would suggest that the work on the Hudson Bay railway and on the docks, elevators and other structures at the terminus of that road should be shut down at once and no other expenditure made on it, at any rate until the war is over. It is a question whether any expenditure of that kind should be gone on with any further, when, we find in the Estimates put before us expenditures for other public works in various directions. I do not propose to go into the details particularly, but I notice that in the province from which I come there is an expenditure put down for a considerable extension of telephone lines. Whilst expenditure of that kind is very desirable when you have the

money to spend, I think that at the present time that expenditure could very well have been omitted. Lines of that kind are not immediately required. The people have got along for a number of years without those extensions, and they probably could have got along just about as well for a year or two more, until we saw better what the standing of our country was and how we could manage the public finances so as to be able to carry on this class of expenditure.

Then we have to bear in mind another point. It has been brought to the attention of the country just lately that the orders for munitions, which have been a source of considerable profit in some instances, and have created a great deal of business in this country for the last two or three years, were being cut down, with the result that a large number of the persons who have been employed in munition factories will find that they have to turn to other work in order to get employment. On account of the desire to turn out munitions as quickly as possible, large wages were paid in a great number of instances to these workers, which had the effect of inflating wages not only in the munition works themselves but also in other industries in the same locality in which those works were established. The closing down of munition factories will affect the whole question of wages in the districts in which they are located, and will tell very much on the people in those districts. It will bring home to them the fact that the conditions under which they are living are somewhat inflated, and they will feel very much more than they have felt in the past the increase in prices, which has been brought about largely by the war conditions.

For all these reasons it is necessary that great economy should be observed in the expenditure of money, so that a burden may not be placed on the country greater than it can bear.

I do not propose to take up the time of the House any longer. I have tried to place before honourable gentlemen the position of affairs with regard to the finances of this country as I see them at the present time, and the necessity there is for economy in every possible direction.

The motion was agreed to, and the Bill was read the second time.

Hon. Sir JAMES LOUGHEED moved the third reading of the Bill.

The motion was agreed to, and the Bill was read the third time and passed.