

Canada is to be very greatly disadvantaged? I think the honourable the leader of the Government gave away the whole position when he referred to the fact that it is absolutely necessary to the solvency of the National railway that this purchase should be completed. That is the very worst argument that could be placed before a Board of Arbitration. It is not usual in commercial life, if a man or a corporation is wishing to purchase an article of any nature, or property of any description, to preface the bargaining with the statement that "unless we are able to purchase it from you it really means the insolvency of our own enterprise." I think that the statement of the leader of the Government that the purchase is absolutely necessary to the successful operation of the present state railway is an intimation to the arbitrators to place a very high value upon the assets which may be submitted to them for adjudication. That, after all, would not be so vitally important, if Parliament, the representative of the people, were to have an opportunity after the award to express any opinion thereon. But I believe that in another place the proposition was made that the award of the arbitrators should be subject to the final ratification of Parliament, and that the amendment was not accepted, and it is not in the Bill at the present time.

I do not intend to go very deeply into the financial question; but I think that before we assume such a heavy responsibility we should at least give some consideration to the financial position of the country at the present time. In ordinary commercial life, if a bargain is to be made, if a purchase is to be considered, the prime question the purchaser has to consider is, can he afford it? Therefore I make no apology for bringing a few facts before the honourable members of this House in regard to our financial position at the present moment. I will deal very briefly, perhaps, all too briefly, with some few facts and figures that I think may cause honourable gentlemen to give consideration to the importance of the financial situation in the final consideration of whatever action they may decide upon in connection with the passage of this Bill. Five years ago the interest on our Federal debt was only \$13,000,000 per annum; to-day, after such a short space of time, it is \$115,000,000. In addition to this \$115,000,000, there is an annual charge of from \$30,000,000 to \$40,000,000 for pensions, etc., or a definite

fixed charge of \$150,000,000 annually, to which again must be added the deficits from the operation of our national railway, of perhaps some \$25,000,000 more, making a total in all of some \$180,000,000. Our total estimated revenue for the year, including customs and excise receipts, war profits tax, income tax, etc., is \$280,000,000, leaving a balance of only \$100,000,000 for ordinary and extraordinary expenditures. I believe, honourable gentlemen, that I am correct in saying that our total expenditure this year will be between \$700,000,000 and \$800,000,000—more nearly \$800,000,000 than \$700,000,000, including demobilization and capital expenditure, which would leave a shortage of over \$500,000,000. We have been so accustomed during the last few years to dealing with such great sums that perhaps these figures may not have the same effect that they would have had a few years previously; but when we come to consider that we would have a shortage of receipts of over \$500,000,000 this year over the estimated expenditure, and \$650,000,000 in excess of the total expenditures of government five years ago, surely it is time to pause and give consideration to a question that is going to add another half billion dollars to our liabilities. We know that our liabilities will be added to to the extent of half a billion dollars. We also know that from that should be deducted a certain amount of assets, but the liability is fixed and the assets are conjectural.

I noticed, as I suppose honourable gentlemen all did, that the other day Mr. Boville, Deputy Minister of Finance, submitted a statement to a committee of Parliament, showing that in addition to the capital expenditure of \$52,122,445 covered in the estimates for the current fiscal year passed by Parliament at its regular session there must be added the following: To meet cost of Grand Trunk receivership, including interest and deficits on operation, \$15,000,000; provision for credit for Great Britain and allied countries, \$125,000,000. These figures increased the country's obligation, other than current expenditures, to an amount in excess of \$699,122,445. Since this statement was made, I have seen supplementary estimates brought down totalling \$62,000,000 additional.

Now, honourable gentlemen, it is all very well during this time of prosperity to congratulate ourselves on our ability to meet expenditures; it is all very well to feel that our Victory Loans in the past have been a success—and I hope our present