

to continue this very large expenditure. I have read the report of the commissioners who were appointed to inquire into the whole question of the railways of Canada, and I notice that, in reviewing the situation, they report very strongly that the expenditure for the Hudson Bay railway should be reduced to the lowest possible limit. I think the Government should take that recommendation into consideration. The financial situation of Canada is growing worse every day. The Finance Minister has already informed the House that the very last loan which he negotiated cost this country upwards of eight per cent per annum, which, even only a few months ago, was considered a very large rate for a private individual to pay. The Government are today confronted with the fact that we cannot go into the money market of either the United States or Canada, and borrow at less than eight per cent. Under these circumstances, it seems to me that this resolution ought not to be concurred in, but that it should be sent back to the Committee of Supply for the purpose of considering whether this very large sum of money for the Hudson Bay railway should be expended. The matter is of very great importance, and this is only one item out of many. The Government is spending very large amounts of money and does not seem to realize the financial condition which confronts Canada to-day. We are spending money in connection with works at various times which might well be permitted to stand over. There is no immediate necessity in these war times for continuing the work so rapidly on the Hudson Bay railway. Before the road can be of any advantage, and before it can carry on the work of shipment of grain and cattle from the Northwest there will have to be an expenditure amounting to probably twenty or twenty-five million dollars in connection with the terminals of the railway; and there will have to be steamship lines, and wharf and other accommodations, all of which can very well wait until the war is over. I ask my hon. friend whether he should ask concurrence of the House in these resolutions, or whether he should not send the matter back to the Committee of Supply and have this item greatly reduced.

Mr. NESBITT: I was not in the House when this item was passed in Supply, and I rise to endorse what the hon. member for St. John (Mr. Pugsley) has said. I think it is a great pity to spend \$3,000,000 on the Hudson Bay Railway this year. I am quite

sure the Minister of Finance realizes what the country is up against, in the way of expenditure, if nobody else does, as the hon. minister has to find the money for these expenditures. My hon. friend from St. John (Mr. Pugsley) is quite right in drawing attention to the recent loan Canada has made. The rate of interest is very high. I believe the rate is as good as can be obtained, perhaps, but, at the same time, it makes us realize the condition we are confronting. This expenditure, in my judgment, is absolutely unnecessary, particularly in view of the fact that we are now taking over, practically speaking, a trans-continental road which will be owned by the Government, if not entirely operated under their supervision. This road to Hudson Bay is completed to a certain extent, I suppose. I think it is a great pity the minister did not take the rails from this road, instead of obtaining them from some other roads, and send them to France when rails were required. I appeal to the Government to save this expenditure this year, if possible. We have to make provision for all the absolutely necessary expenditures and should not go into one that is absolutely unnecessary. I do not think any human being can show any reason why it is necessary at the present time, nor, so far as we can see for the future. If we had the means, and were not at war, there would not be so much said against it. Still, it is always wrong to spend money unnecessarily, and, in my judgment, this expenditure is particularly wrong. I hope, even though this item has been passed in Committee of Supply, that the minister will see his way to referring it back to the committee and striking out as much of it as he possibly can.

Mr. COCHRANE: It is impossible for me to do as the hon. gentleman from St. John (Mr. Pugsley) wants me to do in this respect. Last fall we made a contract for the building of a very large bridge across the Nelson river, and that bridge is under construction at the present time, and it will take another month, perhaps, to finish, before we will be able to pull out. We do not propose to go on with the works down at Nelson any further, and we will let them stand. But we must have a portion of this money, in order to pay for what we have undertaken.

Mr. PUGSLEY: What portion is required for the bridge this year?

Mr. COCHRANE: About \$350,000.