

\$20,000,000; then in his wisdom the Minister of Transport decided that \$15,000,000 would be ample. Since then, however, there has been an extra increase of 7 per cent in the revenue.

No doubt the question occurred to many members of the committee, what about the expenditure? And we had the statement by the president of the company that when the revenue got beyond the figure of \$250,000,000, then out of every additional \$2,000,000 of revenue, \$1,000,000 would be applied to the deficit. I just want to point out to hon. members that we are being asked to vote \$15,000,000 that will not be used. The experience of the last six months amply illustrates that; it is not going to be used. Nevertheless we sit here and vote it. It is a very happy situation, although sad to realize that this extra traffic is a result of our war effort. So far as wheat is concerned, the Minister of Mines and Resources and the other wheat experts know there will be a movement of 100,000,000 bushels before very long, and with the prospects of the movement of a great deal of war material I feel sure that the increase of 29 per cent in the revenue will be maintained for the remainder of the year.

It ran through my mind, in considering this item, how greatly it would have reestablished confidence in the Canadian National Railways and in the Department of Transport if we had just been sensible enough about this amount of \$15,000,000, which was requested many months ago, to say, "Well, we are not going to use all that money. When this estimate is brought down we who occupy the treasury benches will reduce that amount." I do not suggest that it should be wiped out entirely, but it should have been reduced by a reasonable amount. I believe that would have tended to increase confidence in this great publicly-owned enterprise. We should not leave the impression in the minds of a great many people that because this enterprise is owned by the government, it can make estimates six, eight or nine months in advance and then come here and get any amount of money it requires. On account of circumstances we are sitting here on this sixth day of August. We have had seven months of experience since January, and we know that because of war conditions this company has a substantial revenue in its treasury. Nevertheless, because it asked for this money last February or March, this item must go through; otherwise the solidarity of the cabinet would be defeated. The government have the power to force this item through, and it is going

[Mr. J. H. Harris.]

through; but how much better it would have been if they had been a little fairer with the people who are anxious to support this enterprise, and had reduced this estimate by five or ten million dollars, when they know the whole amount is not going to be required.

Item agreed to.

Special.

Deficits.

National harbours board.

461. To provide for payment to national harbours board, of the amount hereinafter set forth, to be applied in payment of the deficits (after payment of interest due the public but exclusive of interest on dominion Government advances and depreciation on capital structures) arising in the calendar year 1940, in the operation of the Churchill harbour, \$96,867.

Mr. NICHOLSON: I notice that this appropriation is cut almost in half, and of course I realize that it is necessary to effect economies wherever possible. I have before me a copy of *Canadian Finance* for July 17, in which nearly half a page is devoted to a discussion of the Hudson Bay route in war time. In reply to a question I asked on June 14, the Minister of Transport mentioned that the British government had knowledge of the Churchill route, but this article wonders whether the Canadian government is doing as much as it might to encourage the more extensive use of this route. Would the minister care to make any comment along this line?

Mr. CARDIN: My hon. friend will readily appreciate that I am not in a position to make an extensive comment on the situation because, as he knows, I am new to this department. I have not had time even to read the book dealing with these estimates, but I may assure my hon. friend that with my colleague, the Minister of Mines and Resources, sitting at my right, it will be difficult to cease interesting ourselves in the port of Churchill.

Mr. CRERAR: I might say just one word in reply to the hon. member for Mackenzie. If the war had not broken out at the beginning of September, I am confident that this year the port of Churchill would have had the largest business in its history. But the outbreak of war brought control of shipping by the British shipping ministry; and the need to convoy vessels in considerable groups in order to effect economies and safety has had the effect of largely destroying, for the time being, the use of Churchill as a shipping port. How long that may last I cannot say, but certainly this year from all indications Churchill would have had a very large business compared with previous