

deficit in the Old Age Pension account. So we did not collect enough money to pay our bills.

Honourable senators, this Government seems to be very much interested in establishing records. It established a wonderful record when on election day it had elected more members than any previous administration, and recorded a greater number of votes in each constituency, and got greater majorities. Now it is keeping on making records with record expenditures and record deficiencies. How far can this go?

Hon. Mr. Quinn: You are still asking for more.

Hon. Mr. Macdonald: No, you are asking for more.

Hon. Mr. Quinn: I mean your members in the other place are asking for more.

Hon. Mr. Macdonald: If my friend has listened to the debates that have taken place in this house he will know that we are very much concerned about the excess of expenditures over receipts. Indeed, we would be very much more interested in the Government setting a record in excess of receipts over expenditures. I say we cannot continue with these record deficits. For instance, the Canadian National Railways has a deficit of \$29,600,000.

Hon. Mr. Euler: \$55 million.

Hon. Mr. Macdonald: The reported deficit for the C.N.R. is \$29,600,000, which is the first deficit it has had in four years.

Hon. Mr. Croll: That was a week ago. Since then it has reached \$55 million.

Hon. Mr. Brunt: No, that is the estimate for next year.

Hon. Macdonald: I am reading from a Canadian Press dispatch, a source which I find reliable, which says that as of May 22 the deficit was \$29,600,000. Apparently it has now reached \$55 million. That probably was what it was yesterday—I don't know what it is today. It seemed to me to be bad enough on May 22.

Honourable senators, I am very serious about this. How long can such deficits continue? How long shall we be content to go along without paying our way? We do not have a budget. A budget will be brought down this session, but in the meantime we do not know what the state of the financial health of the country is. We only know that it is not good, and that it cannot remain unhealthy forever. If one of us finds that his health is not good he can't just go on and

forget about it; he has to stop and do something to improve it. So it is with the country.

Hon. Mr. Quinn: Would you say the country to the south of us is any better off?

Hon. Mr. Macdonald: I am not comparing Canada with the country to the south at the moment.

Hon. Mr. Quinn: Or any other country in the world.

Hon. Mr. Macdonald: I am only judging Canada. Let me remind my honourable friend from Bedford-Halifax (Hon. Mr. Quinn) that the former administration left this country with the soundest and healthiest economy of any country in the world. I am anxious that the present Government should see to it that our economy is not weakened, but is maintained.

My remarks today are made not so much by way of criticism as by way of warning; but if the present practice continues my remarks will become very critical. I have no hesitancy in telling the Government that though these expenditures happen to be popular—that is, popular for the moment—they are not sound, and any policy which is not sound cannot be popular for ever. An accounting has to be made sooner or later.

I say this to my honourable friend from Bedford-Halifax: my wish is that this Government will go out of office leaving the country with as sound an economy as it had when the Government came into office.

Hon. Mr. Reid: May I ask the Leader of the Government a question? Why are there two items, Nos. 111 and 545, both to provide for the purchase of wheat and flour for India, Pakistan and Ceylon, one for \$10 million and the other for \$3 million? Why should there be two such items for the same purpose?

Hon. Mr. Brunt: In what schedules do they appear?

Hon. Mr. Reid: Vote 111 is in Schedule C, on page 6, and Vote 545 in Schedule D, on page 8.

Hon. Mr. Aseltine: My information is that Vote 111 for \$10 million is to pay for the delivery of wheat and flour from Canadian supplies, and has not been completed.

Hon. Mr. Reid: Both are to relieve food shortages. That is what drew my attention to them.

Hon. Mr. Aseltine: If the honourable senator will read the estimates carefully he will