

come as close to the figure in our estimate as, perhaps, we should have liked to. But, taking everything into account, at the present time, as far as we can foresee, we should come reasonably close to the figure that has been submitted.

Mr. WALSH: It will be recalled that last year I urged this before the minister, that if the deficit was going to be nearer \$50,000,000 than the amount that was then estimated it would be desirable that the larger amount should be indicated as the estimate. To put it in at such a low figure as was done for 1938 and then to have the deficit exceeded by \$11,000,000 to \$12,000,000 does not give the public a correct impression of the operating deficit of the Canadian National Railways.

The CHAIRMAN: Can't you be kind and leave them a little leeway?

Mr. WALSH: I don't mind leaving them a million or two, but I do not think the difference should be as great as is indicated here.

Hon. Mr. HOWE: I might answer that in this way: Is it wise to tell the Canadian National to budget for a deficit of \$50,000,000 for next year when they might get through for much less? Is it not better for them to work on a budget deficit of \$40,000,000, and then tell them: if you must have more you have got to come up and ask for it; we are not going to give it to you now. I think we could encourage the Canadian National Railways to ask for more than they are likely to need.

Mr. WALSH: I would like to see it a little bit closer than \$11,000,000 or \$12,000,000.

Mr. HOWE: Who could foresee the slump that took place last year? Can anyone foresee what the crop is going to be this coming fall?

Mr. HUNGERFORD: I will be very much obliged if anyone will tell me what the gross earnings are going to be this year.

The CHAIRMAN: On item 589—Prince Edward Island Car Ferry.

Item agreed to.

On item 590—Trans-Canada Air Lines—\$498,000.

Item agreed to.

Gentlemen, shall we meet at half-past eight? All we have to deal with is the Canadian Merchant Marine and the Trans-Canada Air Lines.

Some Hon. MEMBERS: Agreed.

The committee adjourned at 6.00 o'clock p.m. to meet again at 8.30 o'clock p.m. to-day.