

Honourable senators, I have a statement which shows, in millions of dollars, the expenditures by this Government since it came into office in 1957. It is as follows:

Fiscal Year	Amount of Expenditure (millions)
1957-58	\$5,088.8
1958-59	5,508.5
1959-60	5,649.9
1960-61	5,902.0

Honourable senators will see that during the four years this Government has been in power the annual expenditures have increased by the huge sum of \$1 billion; that is to say, the expenditures this year are \$1 billion more than they were the year the Government came into power. That is a very large increase. You may say, "Well, the previous government made similar increases". I have here the figures of expenditures for the last four years the former administration was in power. They are as follows:

Fiscal Year	Amount of Expenditure (millions)
1953-54	\$4,529.8
1954-55	4,564.6
1955-56	4,496.6
1956-57	4,769.4

So the increase in the fourth year that the last administration was in power was only \$250 million over the amount which it had spent four years previously. The present Government is spending annually about four times that spent by the former administration.

I do not think I should criticize the present Government too severely. I know times have changed, but I do feel that the brakes should be put on so that next year there will not be another \$250 million increase, and the same thing the following year. Where will it end? We should always bear in mind that the only way we can get money to distribute is through taxation, and that can only come from one source, the people. If this rate of spending goes on, it will be necessary for the Government to increase taxes each year in order to maintain anything near a balance of expenditures and receipts. We are also voting the expenditure of more money. The other day we authorized an expenditure of \$86 million for a railway and \$665 million for housing. Where is all that money to come from? It is not provided for in these estimates.

Hon. Mr. Aseltine: That revenue is going to come back to us.

Hon. Mr. Macdonald (Brantford): But we have to get it before it can start to come back. My question is: where will the Government

get the money to provide this additional \$665 million for housing? That is a fair question.

Hon. Mr. Gladstone: Where did C. D. Howe and his colleagues get the money they spent when in power?

Hon. Mr. Macdonald (Brantford): Unfortunately, the Government of that day had to raise money by taxation, and it did raise it in that way, except during the war years when it faced extraordinary expenditures. But I am sure my honourable friend did not object to the Government spending money to help bring the war to a successful conclusion.

The people of Canada rallied behind Parliament and they supplied half the funds to carry on the war, and the other half was borrowed.

I come now to the present day, and we are not at war.

Hon. Mr. Aseltine: Just a cold war.

Hon. Mr. Macdonald (Brantford): Yes, fortunately it is only a cold war. If it were a hot war it would cost us a lot more money than we are spending now. In these days of so-called peace, we are spending far beyond our means, and, indeed, increasing expenditures each year. Where are we going to stop? Are we going to pay no attention to the facts and let somebody say, "Oh, what did you do 15 years ago?" That is not the way to face the issue. The question is, what are we going to do about it? I say to the Leader of the Government (Hon. Mr. Aseltine) that we on this side of the house are prepared to co-operate with the Government to keep expenditures within a reasonable limit and to ensure that in future the financial condition of our country will always be in a liquid position.

I do not think it is necessary for me to pursue this matter further at the moment. I know my friend from Alberta (Hon. Mr. Gladstone) is just as anxious as I am to keep our economy on a sound basis. Honourable senators, I repeat, we are being asked at midnight to pass a bill which represents a staggering sum of money. We can only hope that the country will be the better for its passage.

Motion agreed to and bill read second time.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill read the third time?

Hon. Mr. Aseltine: moved third reading of the bill.

Motion agreed to and bill read third time and passed.