

I also wish to point out that these estimates do not include any expenditure on the South Saskatchewan River project, or the proposed railway to the Great Slave Lake, or the proposed highways to the far north; nor do they include very important, and probably very large, expenditure for the federal Government's share of the National Hospital Plan, which is to come into effect in some provinces on July 1 this year. So during the current financial year we shall spend probably \$6 billion, the largest annual federal expenditure ever made in Canada.

The present Government, which has been in power for less than a year, has become the most fabulous spender of public funds of any government that has ever administered the affairs of our country; and if the bill before us is a simple bill, its simplicity consists only in its enormity. I well remember when this Government was in opposition, how it was going to reduce expenditures. The claim was that a large sum—\$500 million, I believe—could easily be chopped off. Well, the Government finds it is a little harder to put into practice what it was preaching when in opposition, and instead of there being a reduction of \$500 million, there is an increase of at least \$500 million over last year; in fact, the increase over last year is nearer \$1 billion than \$500 million. On pages 2 and 3 of the estimates it will be observed that there are only four departments in which there has been any considerable reduction: Citizenship and Immigration, a reduction of \$1,054,000; Defence Production, a reduction of \$1,772,000; National Defence, a reduction of \$6,800,000; and in the Department of Transport, for the Canadian Maritime Commission, a reduction of \$242,900. In every other department there has been an increase.

Well, honourable senators, I suppose the country is getting larger—there are more people here and more demands are being made on the treasury. As to how the money is to be raised, no proposal has yet been presented to the house, and I would not expect it. We were all disappointed last year that there was not a budget, but we won't be disappointed this year.

Hon. Mr. Aseltine: I assure the honourable senator there will be one this year.

Hon. Mr. Macdonald: We know there will be a budget this year. How the money is to be found I do not know, but we look forward with great interest to learning this. And of course, honourable senators, that raises a very important question as to whether we are going into a period of budgeting for deficits, whether we are entering into a period of inflation. But I will not take the time of the house now to go into those matters. They

present very serious problems and I have no doubt that the Government itself is greatly concerned about them.

Honourable senators, I have read the bill carefully and of course I will vote for it. As the honourable leader (Hon. Mr. Aseltine) has said, it is similar in form to other interim supply bills that have been presented to us. This bill, I think, is some improvement on former bills, in that clause 2 sets forth the extent of the expenditures more clearly than previous bills did. I have one of the previous bills before me and in it there was one clause covering items for which one-twelfth of their total was being asked. There was another clause applying to items for which we were asked to vote one-sixth of their total, and so forth. There were nine such clauses in that bill, but in the present bill all the proportions of the various items to be voted are set out more clearly in one clause, namely, clause 2.

I was interested in the remarks of the Leader of the Government with respect to clause 3. If honourable senators will refer to the bill they will notice that this clause reads:

3. The amount authorized by this act to be paid or applied in respect of an item may be paid or applied only for the purposes and subject to any terms and conditions specified in the item, and the payment or application of any amount pursuant to the item has such operation and effect as may be stated or described therein.

That clause never appeared previously in an Appropriation Bill. I would like to know from the honourable Leader of the Government why it is found necessary to put the clause in this bill. Have moneys been improperly expended in the past? Is not that covered by a provision of the Financial Administration Act?

If honourable senators will notice the bill again they will see that clause 6 reads:

6. Amounts paid or applied under the authority of this act shall be accounted for in the Public Accounts in accordance with section 64 of the Financial Administration Act.

There was a similar clause in previous bills. I do not recall that we ever used funds for a purpose other than that for which they were provided.

Another unusual clause in the bill is clause 4. It provides that contracts entered into after the 31st of March 1958 but before the 13th of May 1958 for any of the purposes specified in any of the items set forth in those estimates are hereby ratified and confirmed. So by passing this bill we approve of whatever contracts the Government has entered into between the 31st of March and the 13th of May. I am going to ask the Leader of the Government if he is going to table