

The actual wording has been changed from year to year, but it is essentially the same. This clearly contemplates that Parliament should give to the Government a sum of money which can be used throughout the year to meet emergency requirements; and this was an emergency requirement that was met last year through the use of the contingencies vote to supplement the votes of a number of departments of Government, to the extent of \$1½ million, to meet mid-month pay demands.

Senator HAIG: In the next Public Accounts that \$1½ million will be shown as expended in different areas?

Dr. DAVIDSON: As a charge against the votes.

Senator HAIG: But the specific amounts spent out of that \$1½ million will be shown in the Public Accounts?

Dr. DAVIDSON: The salary items are not refunded to the contingency vote and, therefore, the Public Accounts will show that a certain vote to which Parliament voted so many hundreds of thousands of dollars had a supplement of so many thousands of dollars added for salaries from the Vote 15 contingencies.

If you look at the Estimates for 1967-68 you will find, for example—and I use the Fisheries department for illustration—Vote 1 lists the salary requirements, and shows for last year:

Salary and Wages (including \$86,000 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay).

So, each of the votes presented to Parliament next year records, as a matter of information, how much money was added to that particular vote for salaries.

Senator HAIG: But \$1½ million was already provided by Parliament?

Dr. DAVIDSON: Yes.

The CHAIRMAN: The wording that has been added, or the change that has been made in the 1967-68 Estimates from Vote 15 due to some words referring to a pay list, has that any significance with respect to what happened in November last year?

Dr. DAVIDSON: Not really, Senator Leonard. For two years prior to last year a specific reference was made in the vote wording that the vote could be used to supplement pay lists or for other purposes. Last year the vote wording was made more general, but it included at all times authority to use the funds for pay list purposes even though pay-lists are not specifically referred to. Because of the concern that was expressed last year we decided—rightly or wrongly and, I think, without really needing to do so—to make it explicit. But there has never been any question from the legal point of view that Vote 15 could always be used to supplement other votes for pay list purposes.

Senator DESCHATELETS: Is the amount under Vote 15 nearly the same year to year, or does it change much?

Dr. DAVIDSON: It has risen very sharply in the last couple of years, for the simple reason it is difficult to predict what wage escalation is going to take place in the course of the year; and if we did not have some recourse such as this we would be badly handicapped in our ability to meet changing wage conditions as they occur throughout the year. Of the \$110 million that we will spend this year out of the contingencies vote, \$101 million approximately is for additional salary requirements incurred in the course of the year. This is much larger this year than last because in these last two years, we have been going through, a situation in respect of wage escalation which is unprecedented since 1950.

Senator BURCHILL: This might be the appropriate time to bring up a general suggestion I have had in mind for some time. I go back to the days when Senator Crerar was chairman of this committee and there was some alarm as to the amount of money that was being spent by the federal, provincial and municipal governments in Canada that we were spending too much.