

increase in the production of defence supplies and equipment which the North Atlantic Council has found to be so urgently needed. The money may be used to produce those things which the government, after receiving advice from the appropriate bodies created under the treaty, considers to be most needed and immediately useful in the common cause. This added production may be turned over to our own forces, either to increasing their holdings beyond the scale provided for under our present defence program or to provide replacements, or it may be made immediately available to our European allies. If it appears that these new arms can best be used by our European allies they will be dispatched to them without cost. It is impossible to tell at the present time what will be required to meet our North Atlantic commitments, but it is certain that this and probably more will be required within the next year and a half. The bill also provides that this appropriation will not lapse at the end of the current year, but may be used subsequently. This will ensure that production may proceed without delay or uncertainty. Adequate opportunity will of course be given for debate on this appropriation in the 1951 session.

I have covered the three main aspects of the bill. In addition, the measure provides for a sum of \$2 million, to meet expenditures of the Royal Canadian Mounted Police which will result by reason of their taking over of police duties in British Columbia and Newfoundland, through agreements with those two provinces. Though negotiations between the R.C.M.P. and the two provincial governments were in progress during the last session of parliament, a final agreement was not reached in time to enable this appropriation to be provided for at that session. As the policing services in these provinces have already commenced, the sum is included in this bill. A good deal of this money will be returned under the terms of the agreements with the two provinces. I would point out to honourable senators that in the light of the total appropriation the amount required for the policing services is not great, and except in indirect ways has nothing to do with our expenditures for military purposes. The two provinces in question have entered into agreements for the utilization of the services of the R.C.M.P., similar to those which exist between the federal government and certain other provinces. As members of the house know, the provincial authorities will pay a certain amount for the service; but I understand it is not sufficient to meet the total cost.

Hon. Mr. Roebuck: Is the sum mentioned in the bill the difference between the revenue and the cost, or is it the total expenditure?

Hon. Mr. Robertson: I am not quite sure, but I understand that the amount now to be voted would be offset by revenue from the provinces.

Hon. Mr. Roebuck: Then it is the gross amount.

Hon. Mr. Robertson: I think it is the gross. As I have said, I do not think the revenue from the provinces is sufficient to meet the total cost. On the other hand, because the duties are partly federal and partly provincial, it may well be difficult to distinguish the exact proportions.

Hon. Mr. Reid: Has the honourable leader any ideas of the amounts to be paid by these provinces for the services of the R.C.M.P.?

Hon. Mr. Robertson: Frankly, I do not know. Perhaps that information could be secured in committee. In any event, I understand that the payment is based on so much per member of the force supplied.

Hon. Mr. Baird: I think it is about \$1,400 per man.

Hon. Mr. Robertson: That may be so.

The bill authorizes the Governor General to borrow \$300 million. This has nothing to do with our North Atlantic commitments. From time to time additional borrowing power is needed, usually for short-term loans, because the timing of our cash requirements does not always coincide with the flow of revenue, on the one hand, or, on the other hand, with the most appropriate time to go to the market for large sums. Such an authorization is contained in almost every appropriation Act.

The bill also authorizes the Governor in Council to purchase defence supplies in Canada for the United States government, to the extent that that government undertakes to reimburse the Governor in Council. I am advised that the financial arrangements with the United States are on an entirely different basis from those with other allies, and that this really contemplates the financing of any undertakings which may have been entered into with the United States.

Subsection 2 of section 2 reads as follows:

His Majesty may incur commitments during the fiscal year ending the thirty-first day of March, 1951, for expenditures on the naval, army, and air services of the Canadian forces in subsequent fiscal years in amounts not exceeding a total of four hundred and nine million, two hundred and fifty-seven thousand, eight hundred and twenty-one dollars, in addition to the total amount of commitments for similar purposes specified in Schedule A to the Appropriation Act, No. 4, 1950.

A specific item in the bill refers to the commitments in connection with defence research and development, but I am not sure at the moment whether this amount is included in the larger one of \$409 million.