

Department of Transport Stores

fixed at \$1,158,000, but that has not yet been charged to the Department of Transport stores account. Provision for the acquisition of those stores was made in the supplementary estimates of 1949-50 under vote 673. However, when I stated in the original debate of May 5 that the advances were overdrawn to the extent of \$1 million, that figure was based on the assumption that the Newfoundland stores had been transferred to the Department of Transport, but as stated, this is not so. The proposed amendments to the stores act provide for the inclusion of the Newfoundland stores in the over-all inventory.

So that there may be no misunderstanding about section 1, I intend to propose an amendment, which will cover the inventory. There was some anxiety indicated in the committee about the amount of the advances. It was thought that \$5 million was far too much. Having regard to the explanations I have given and the conversations I have had with my officers since that time, it strikes me that if the committee were willing to authorize advances to the extent of \$4,500,000, that would meet the position. I have asked the officers how they could get along with that, and they say that that would be running them pretty close but if they had less it would be difficult for them to operate. I hope it will be possible for the committee to approve this, and I intend to move an amendment to section 5.

Mr. Green: There is an amendment before the committee at the present time.

Mr. Chevrier: This would be a subamendment.

Mr. Knowles: You will have to wait until the amendment is disposed of.

Mr. Chevrier: When we get to it I will suggest an amendment providing that the amount of advances to the Minister of Transport shall at no time exceed \$4,500,000, including the value of the stores from time to time on hand. There would then be no doubt that it included the \$3 million inventory now on hand, and it would give a revolving fund or working capital of \$1,500,000. Perhaps in view of these explanations the hon. member for Vancouver-Quadra will consider withdrawing his amendment.

Mr. Green: The explanations given by the minister this morning help to clear up the difficulties we had when this bill was under discussion on a previous occasion. As the committee knows, the Department of Transport Stores Act was enacted in 1937. At that time there were two points that worried the members of the house. The first was that power was being taken to spend money before it

was appropriated, and that is our main worry in connection with the proposed amendments now before us. Under this act the Department of Transport can spend a certain amount of money before it is actually appropriated by parliament, which is contrary to the whole basis of our parliamentary system. That particular objection was put very clearly by Mr. Bennett, then leader of the opposition, when he spoke on April 2, 1937, as reported on page 2488 of *Hansard*:

I say to the minister in the light of experience that there is nothing more inviting to permanent officials than the possibility of having an advance of great proportions.

The second worry in 1937 was that stores would be accumulated to a greater extent than was necessary. At that time the stores on hand were of a value of less than \$1 million. The present Minister of Trade and Commerce (Mr. Howe), who was in charge of the bill at that time, said, as reported on page 2488 of *Hansard* of April 2, 1937:

It will be my aim to see that at the end of the year there are no surplus stocks.

The whole emphasis by the minister at that time was that surplus stocks would be cut right down to the minimum. In order to meet those two difficulties, provision was made in the original act that the advances to the minister would be limited to \$1 million, and there was also a provision that the value of stores held after the inventory at the end of each fiscal year after 1936-37 should not exceed the amount of the stores inventory established as of April 1, 1937.

Those were the two restrictive provisions placed in the legislation to meet the objections raised. It is interesting to note what has since happened to each of these obstacles. That of the ceiling of \$1 million has remained in the act to this date. In other words, right up to the present time the minister has never had the power to draw on the Department of Finance for more than \$1 million. It is true that an amendment was made in 1939, but that was because of the wording of the original section 4. There had been some trouble with the Department of Finance. They read the original section 4 as still calling for an appropriation by parliament in each case. Therefore the act was amended in 1939 to provide for a straight advance up to a ceiling of \$1 million. The value of the stores was increased in 1939 to \$1,250,000. Then during the war it was increased by order in council in 1943, I believe—the minister can correct me if I am wrong—to \$1,500,000. In 1946, after the war, less than four years ago, it was increased again to \$1,600,000.

Before I start discussing the terms of the bill now before the committee, I should like to