

## THE SENATE

Thursday, May 15, 1958

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers.

## APPROPRIATION BILL NO. 2, 1958

## FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-6, for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st of March, 1959.

Bill read first time.

## SECOND READING

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

**Hon. W. M. Aseltine:** With leave of the Senate, I move the second reading now.

**Hon. Mr. Reid:** Is the bill going to be distributed?

**Hon. Mr. Aseltine:** It is in honourable senators' desks. I may say we had some difficulty in getting this bill here in printed form this morning. I understand that yesterday when it was being considered in the other place it was not available, but by doing a considerable amount of work in that direction we were able to have it here this morning.

**Hon. Mr. Macdonald:** Nice going.

**Hon. Mr. Brunt:** That's service.

**Hon. Mr. Aseltine:** I will do my best, honourable senators, to give a brief explanation of this measure, and later on I hope to be able to answer any questions that may be asked in connection with individual items.

Interim supply is an advance on account and the usual measure is brought in at the beginning of a session of Parliament providing for this advance.

If honourable senators will refer to the bill they will find that section 2 provides for an aggregate of one-sixth of all the items to be voted in the main estimates for the fiscal year 1958-1959; three-quarters of items 439, 443 and 502 of those estimates; one-half of items 111, 200, 362, 409 and 513; one-quarter of items 49, 148, 312 and 399; one-sixth of items 37, 94, 162, 297, 311, 368, 432, 446 and 447; and one-twelfth of items 65, 74, 90, 98,

153, 163, 179, 224, 229, 234, 242, 246, 264, 333, 364, 391, 401, 402, 431, 479 and 485. The total amount under this section is \$626,292,380.09, which includes the amounts authorized for those items by the Governor General's warrants issued on April 9 and May 1, 1958.

May I say, honourable senators, that it is not unusual to ask for one-sixth of the estimates plus a larger portion of certain items. This was done in the years 1952-53, 1953-54, 1954-55, 1955-56 and 1956-57. For some items it is necessary to have a portion in addition to the one-sixth because the Government has to keep its bills paid up. Having entered into certain contracts, it has to make certain payments so that those who are carrying out the contracts can pay their bills and keep people employed. If necessary, I am prepared to go into all these items later on. I have here quite a comprehensive brief dealing with each of these additional or "plus" items I have mentioned. But I will leave this for the moment and go to section 3.

This clause provides that the amount authorized to be paid in respect of each item may be paid only for the purposes specified in the item, and that the authority given by the wording of an item in this bill is valid to the limit, but only to the limit, of the amount provided for it in the bill.

Section 4 provides that contracts which were entered into before the estimates were tabled are confirmed. It is necessary, honourable senators, for the carrying on of public business, that the Government shall enter into contracts from time to time, and it is in respect of these contracts that this clause applies. Similar action was taken in 1926 and 1940. It was necessary at that time, and is necessary this year, even though estimates have not been tabled, because conditions arose which resulted in two general elections in one year.

Section 5 contains the usual authority to borrow up to \$1 billion during 1958-59. In that connection I should like to give honourable senators some information. Each year the supply bills contain new authority to borrow money by means of the issue of Canadian savings and other bonds and treasury bills. From 1952-53 through 1954-55 authority to borrow up to \$500 million was granted annually. In 1955-56 the limit was raised to \$1 billion. In 1956-57 it was raised to \$1,500,000,000. Last year it was \$1 billion. The amount of \$1 billion requested in this bill is required to meet the issue of Canadian savings bonds and other market obligations in 1958. Canadian savings bonds issued in 1957 total approximately \$1,170,000,000. By granting a general proportion of one-sixth it is expected that all necessary requirements of the public service will be