

new post office in the honourable senator's riding would, by ordinary business accounting, be regarded as a capital expenditure; but historically, traditionally, it has been written off as a budgetary expenditure. That is true of bridges and of many things that the honourable senator and I would regard as capital expenditures. In other words, by and large, the federal Government—I should not say this Government, but the Government of Canada—has not distinguished between capital expenditures and current expenditures. It has operated on a cash basis and said, "We have taken in so much money and we have spent so much money."

I would not quarrel with the honourable senator if he were advocating that we set up a different accounting system such as some provinces have, where they charge current expenditures to one account and capital expenditures to another account. If we set up a capital expenditure account, then of course we will charge rent and depreciation. We will charge rent to the people who occupy the buildings, which of course we do not do now; and we will put depreciation in the current account for the current year.

What I object to, this being the practice of the Government, is that it does not set this up as a current expenditure; it sets it up as a loan, an advance.

If the honourable senator is prepared to lend \$14½ million to the Canadian Broadcasting Corporation with any expectation that he will get it back, then his business judgment is not what I know it to be. We are not talking about a set of books, where you set up your current expenditures and your current revenues on one side, and your capital expenditures on the other. This is a loan. Now, who endorses the note?

Hon. Mr. Isnor: I am pleased to hear the honourable senator's further words. We all recognize him as an authority in regard to finance and as one who is dealing in large amounts. Needless to say, I would not attempt to put my experience against his. However, I have always felt that when a capital investment is made—particularly in this case, where I understand the greater proportion of this \$14 million will be used for construction purposes—and you have an asset against that \$14 million; and while I might not be in a position to advance that \$14 million, if the risk were good enough and I had the money, perhaps I would consider it.

Hon. Mr. McCutcheon: If the risk were good enough.

Hon. Mr. Isnor: I would consider the loan, I said.

I am very pleased to have the honourable senator enlarge on his remarks in regard to

this particular transaction. Perhaps in future years we shall set up a different system as a result of the work of the Finance Committee under the chairmanship of Senator Leonard.

Hon. John J. Connolly: Honourable senators—

The Hon. the Speaker: Honourable senators, may I remind the house that if the honourable Senator Connolly speaks now, it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): I thank honourable senators for the part they have played in discussing this bill today. I am bound to say that I personally feel, and I am sure all honourable senators feel, that whether there is a political sting in some of the remarks made, the comments which fall from honourable senators in respect of bills of supply are well worth having. I must also say that I profit from the views expressed, and by the feeling, very often, with which they are expressed.

The Leader of the Opposition (Hon. Mr. Brooks) asked about the ferry services deficits on the east coast. I am informed that for the calendar year 1964 the forecast deficits are as follows: for Newfoundland Ferry and Terminals, \$8,791,000; for the Prince Edward Island Car Ferry and Terminals Service, \$4,074,000; for the Yarmouth-Bar Harbour Service, \$267,300.

With regard to Senator McCutcheon's remarks about the Chairman of the Finance Committee (Hon. Mr. Leonard), I do not want to labour this point. I do not think that Senator Leonard, as chairman of that committee, either lost interest in the committee or had his attention diverted by any other matter—certainly not any other matter that should not have engaged his attention. I think Senator Leonard, and I am sure my honourable friend will agree, is one of our most valuable members.

The Finance Committee has sat four times since it was established shortly after Easter. I think it is better practice for the Senate not to set up its Finance Committee until some of the estimates have been passed in the other house, where there is prior responsibility for work on the estimates. In the second place, I would point out that the Senate Finance Committee has had four meetings this session, late though it was set up. It is several sessions since the Finance Committee has met at all. In this respect we are ahead now, the last committee having sat under the chairmanship of Senator Emerson several years ago. I know in the last two years there were certain circumstances beyond the control of the Senate which made it impossible for the committee to meet. But the point is the committee has been set up again, has