

Appropriation Bill No. 5, in the amount of \$276,578,432.67, granted interim supply for the month of August.

Those amounts which I have mentioned, with the exception of the figure for further supplementary estimates for the fiscal year 1955-56, total \$1,384,739,072.11. The present bill grants the balance of the main estimates of \$3,172,915,679.00 for the present fiscal year, less deductions of \$2 million in item No. 386 and of \$50,000 in item No. 289 of the main estimates, leaving the net amount of \$1,846,970,570.64 provided in section 2 of the bill now before us.

In addition there is the balance of the supplementary estimates, tabled on June 5, 1956, amounting to \$85,181,549.25. The total expenditure authorized by this bill, covering the items which I have mentioned, is \$1,932,152,119.89. The total of the main and supplementary estimates to date is \$3,316,891,192.

The bill is in substantially the same form as that of previous supply bills. Included is the usual power to borrow granted to the Governor in Council under the Financial Administration Act, in the amount of \$1 billion. This is in addition to the borrowing power granted in Appropriation Bill No. 1. The details of the main estimates are set out in Schedule A to the bill. Schedule B to the bill contains the items based on supplementary estimates, in the amount of \$85,181,549.25. It will be noticed from the schedule that there are three major items in the supplementaries. One is vote 605, in the amount of \$12 million, being a grant toward the anticipated deficit arising in 1956-57 from the operation of the television service of the Canadian Broadcasting Corporation. Another item, vote 625, for \$30 million, supplements other votes for the payment of salaries, wages, and other payroll charges—in other words, for the recently authorized salary increases for Government employees. And by vote 656 an item of \$50,020,000 is allocated for reduction in the amount owing to the Old Age Security Fund, pursuant to Section 11 of the Old Age Security Act, representing the amount of temporary loans made by the Minister of Finance to the Fund during the fiscal year 1955-56.

I appreciate that honourable senators have not had sufficient time to study the details of this bill. However, we have had the estimates in our hands from the very early stages of this session, and we have had regular sittings of the Senate Standing Committee on Finance, under the able chairmanship of Senator Hawkins.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: That committee considered certain departments and items in the estimates.

Honourable senators, in my opinion the bill is correct and is in its proper form. It is, indeed, for a large sum of money, and the amount that has to be voted seems to be growing annually. However, this is the trend in our expanding economy, which naturally expands in both revenues and expenditures. Our economy has never been so buoyant as it is at the present time. Indeed, the most recent publication by the Department of Finance indicates that for the first quarter of our current fiscal year budgetary revenues exceeded expenditures, resulting in a surplus of \$220.4 million, compared with \$69.5 million for the first quarter of the previous year. In my opinion, for what it is worth, our financial policies are in good hands and are on a sound economic basis.

Honourable senators, I have no hesitation in recommending this bill for the approval of this house.

Hon. Mr. Hackett: Would the honourable gentleman say, with regard to his statement on the increase in receipts during the first three months of this year compared with the first three months of the previous year, to what extent inflation has taken place during the 12 months which separated the two periods?

Hon. Mr. Macdonald: I cannot say to what extent it has taken place. It is indeed true that there has been some increase in the cost of living, but it has not grown to alarming proportions. The policy of the Government will certainly be to discourage such a condition arising. I am satisfied that the people of Canada too will do all in their power to prevent inflation from getting out of hand.

Hon. John T. Hackett: Honourable senators, this is probably the last day of the longest session, with one exception, which Parliament has experienced since Confederation. I incline to the view that the amount to be levied by taxes this session, to provide for expenditures covered by the bill before us and the interim supply bills, is probably the largest amount that a government has found it necessary to impose at one time upon the Canadian people. The largest item is for defence.

When so much is expended on defence it is difficult to find the reason why one of the principal objects to be defended, the city of Montreal and its off-island suburbs, are without adequate protection. It is a mere incident, as far as my remarks of today are concerned, that I happen to represent that city in this