

*Financial Administration*

report of the C.N.R. management after consultation with their suppliers. There is now advice that the various items appearing on the list tabled will be delivered in sequence between now and June 30. The same items of course will also appear in the 1952 equipment budget of the Canadian National Railways. The additional equipment that the house authorized the C.N.R. last June to order will also appear in the 1952 C.N.R. budget and will come up for discussion before the committee on railways and shipping. We have information now that before June 30 next these various items, appearing on the list which I have provided for *Hansard*, can be delivered and thus must be paid for.

**Mr. Macdonnell (Greenwood):** I presume that the issue of these securities will be timed so that we will not be issuing \$55 million in securities and paying interest on the amount in advance of requirement. You are taking the power to get intermediate loans so that you will not have to issue them until the convenient and proper time.

**Mr. Benidickson:** That is correct. In the initial stages at least it is financed by temporary loans to the Canadian National Railways from the government, so the equipment can be paid for as delivered.

Section agreed to.

Sections 2 to 8 inclusive agreed to.

Title agreed to.

Bill reported.

**Mr. Speaker:** When shall the said bill be read the third time? Now?

**Mr. Knowles:** By leave.

**Mr. Fournier, Hull (for Mr. Abbott)** moved the third reading of the bill.

Bill read the third time and passed.

**FINANCIAL ADMINISTRATION**

PROVISION FOR CONSOLIDATION AND REVISION OF CERTAIN ACTS, AUDIT OF PUBLIC ACCOUNTS, FINANCIAL CONTROL OF CROWN CORPORATIONS, ETC.

The house in committee on Bill No. 25, to provide for the financial administration of the government of Canada, the audit of the public accounts and the financial control of crown corporations—Mr. Abbott—Mr. Dion in the chair.

On section 1—*Short title.*

**Mr. Macdonnell (Greenwood):** I should like to make a few brief comments on clause 1. I think any other comments can await the relevant sections. This bill has been before the public accounts committee, and in general I approve of it. It is a measure

which represents a great deal of efficient work on the part of the staff of the Department of Finance. In large measure it puts into statutory form practices which have grown up that have been found to be convenient and which have had to derive their sanction from various acts and no doubt from various other authorities as well. They are now brought together and put into this bill which I think the committee felt had a great deal of merit in it.

**Mr. Knowles:** Would the parliamentary assistant tell us at this point which sections of the bill were amended by the committee?

**Mr. Sinclair:** On the whole the amendments were fairly minor ones as to phrasing. The only place where the change in phrasing is substantial is in section 76 having to do with crown companies. As the sections are dealt with perhaps I might be allowed to indicate those where amendments were made. Members who were on the committee will recall there was no major change in any of the clauses. In certain cases a word was changed or a word was added. For example a change was made to "the Auditor General shall report forthwith" instead of "the Auditor General shall report". The only main change in phrasing is in section 76 having to do with crown corporations.

Section agreed to.

Sections 2 to 4 inclusive agreed to.

On section 5—*Duties of treasury board.*

**Mr. Macdonnell (Greenwood):** I want to say a word about section 5. This clause is in the part of the bill entitled "treasury board" and refers to finance and the making of estimates. I am not going to go over the ground again complaining about the inaccuracy of estimating, but I wish to refer to one thing which I think is relevant and which I regard as a matter of very great importance. Last April the Minister of Finance used very strong language indeed in speaking about the necessity of government economy as a matter of defence against inflation. I want to read a sentence or two from what he said because it was so strong, and I wish to record regret that he seems to have wholly departed from it. At page 1801 of *Hansard* for April 10 he said:

Immediately following the Korean crisis last summer the government reviewed its own expenditure programs, and many projects that had been planned and for which parliament had voted funds were deferred. Since that time the numbers in many units in the public service have been reduced or held below the figures for which parliament had appropriated salaries. Hon. members and others have already seen tangible effects of this policy. The detail pages of the estimates show many instances where expenditure in the past year has