

the Governor in Council had the right to declare an emergency if the price of wheat was eighty cents or less.

Hon. Mr. BALLANTYNE: I do not like to interrupt my honourable friend, but the second reading has not yet been moved.

Hon. Mr. MURDOCK: I have tried three times to rise to a point of order. I distinctly object to this attempt at a hurried consideration of a Bill that is predicated entirely on the passage of another bill in another place, when that bill is not before us at all and the one to which it is suggested we should now give second reading is not on our files.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. KING: I think the objection of the honourable senator from Parkdale (Hon. Mr. Murdock) is well taken. If the Bill is not on our files here, we should not proceed with second reading.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. MURDOCK: Stand.

Hon. Mr. KING: Stand.

The Hon. the SPEAKER: Then I understand that as Bill 14 has not been distributed to honourable senators, the motion for second reading must stand for the present.

The motion stands.

#### WAR APPROPRIATION (UNITED KINGDOM FINANCING) BILL

##### SECOND READING

On the Order:

Second reading of Bill 15, an Act for granting to His Majesty aid for the purpose of financing United Kingdom war requirements in Canada and for national defence and security.

Hon. Mr. KING: Honourable senators, this Bill has been in my hands for some time and I hope it is on honourable senators' files. I have asked the honourable senator from Vancouver South (Hon. Mr. Farris) to move second reading.

Hon. J. W. deB. FARRIS: Honourable senators, I move the second reading of this Bill. The Bill has been printed and I think we all have it before us. It is a measure that I am sure every honourable member of the House has already considered. For purposes of explanation, it may be divided into two parts: one contains provisions for refinancing obligations already incurred by Great Britain in connection with war materials and food-stuffs; and the other part, which is in relation to the future, proposes a gift of a billion dollars' worth of goods as the British Government may require them.

Hon. Mr. BEAUBIEN.

I shall briefly explain the provisions of sections 4 and 5, relating to the refinancing of past obligations. May I say, in connection with this, that we now deal with billions as we used to deal with millions. The change of one letter in this word "million" involves an increase to one thousand million dollars, which in normal times would seem to be a somewhat large increase. Canada's war expenditures are of a two-fold nature, and it is necessary to keep that in mind in considering the provisions of this Bill. First there are what are known as direct expenditures, made for the production and use of our own materials for our own war purposes and in connection with our own war effort. I say "our own" there as distinguished from those of our Allies. The second kind of Canadian expenditures is indirect; and those in relation to Great Britain and other Allied countries come under that heading. The direct expenditures made last year have not yet been entirely before this House. I believe there is to be a supplementary vote in that connection, and when the total amount has been voted—it has already been expended—it will amount to \$1,430,000,000.

The indirect expenditures are what I am talking about for the moment. In this connection there is this important fact to be kept in mind, that when another country purchases from us goods of any nature there are just a limited number of ways in which they can be paid for. They may be paid for by gold, which is the normal method of payment when it is possible. They may be paid for by the cancellation of debts which Canada may owe to that country. This method may be termed, and has been termed in the other House, repatriation of our debts. In the third place, they may be paid for by the exchange of other goods and other services, which of course is limited to the extent of our willingness to accept goods and services from other countries. The only other method of settlement is, to put it rather awkwardly, for the purchasing country not to pay for the goods at all, but simply to owe the debt and let it stand, with or without interest.

Bearing that in mind, I call attention of the House to this fact, that since the war started the total net deficit on the amount purchased in Canada by the sterling area has been \$1,770,000,000. I take that expression "sterling area" from the Minister of Finance. The sterling area includes Great Britain and some other countries which use the pound sterling; but primarily and for our purpose of thinking it is largely the United Kingdom, Great Britain and Northern Ireland. This sum—I do not know whether honourable senators can take in