

## THE SENATE

Thursday, June 5, 1958

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

Routine proceedings.

### APPROPRIATION BILL No. 3, 1958

#### FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-22, 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.

Honourable senators, before dealing with Bill C-22 I should like to refer to section 4 of Appropriation Bill No. 2, the last supply bill, with respect to which section the Honourable the Leader of the Opposition (Hon. Mr. Macdonald) made certain inquiries as to the necessity for it. I have before me a memorandum which is of considerable length. Would the honourable gentleman be satisfied if I filed the memorandum, or does he wish me to deal with the matter now?

**Hon. Mr. Macdonald:** Some other honourable senators may be interested in an explanation of the clause and might like to hear what the honourable leader has to say. For my part, I would like to hear it.

**Hon. Mr. Aseltine:** Then I will go ahead with my explanation of that matter now.

I wish to refer honourable senators to section 30 (1) of the Financial Administration Act, which reads:

No contract providing for the payment of any money by Her Majesty shall be entered into or have any force or effect unless the Comptroller certifies that there is a sufficient unencumbered balance available out of an appropriation or out of an item included in estimates before the House of Commons to discharge any commitments under such contract that would, under the provisions thereof, come in course of payment during the fiscal year in which the contract was entered into.

With that must be read subsection (5) of section 31, which provides:

- (5) Where the Comptroller
- (a) declines to make a payment,

- (b) disallows an item in an account, or
- (c) refuses to give a certificate required by this act,

the appropriate Minister of the department concerned may report the circumstances to the Treasury Board for its decision, and the Board may confirm or overrule the action of the Comptroller and give such directions as are necessary to carry out its decision.

These are the two sections which deal with this matter. In the period April 1 to May 12, 1958 the many thousands of contracts which had to be entered into to keep both construction and operating programs proceeding at a normal rate were entered into without the usual Comptroller's certificate under section 30(1), which I have just mentioned, but with the approval of the Treasury Board as required in such circumstances under section 31(5). In addition, while it had not been possible to table the estimates, all the contracts which were entered into during this period fall within the terms and amounts of the estimates which were later tabled on May 13.

The Financial Administration Act in its present form does not specifically provide for a situation wherein estimates cannot be presented to Parliament before the first day of April. While it was possible to operate within the strict terms of the law during this period, it was nevertheless considered desirable by the Government to draw Parliament's attention to the unusual course of action which had to be taken during this period. For this reason a special section was included in the interim supply bill which was considered by Parliament three weeks ago. That section reads as follows:

4. Contracts entered into, after the 31st day of March, 1958, but before the 13th day of May, 1958,

That is the period during which no estimates had been brought before Parliament—

for any of the purposes specified in any of the items set forth in those estimates are hereby ratified and confirmed.

That, honourable senators, is my explanation for the insertion in the bill which we passed some three weeks' ago of the clause having to do with contracts made between those dates.

In dealing now with Bill C-22, I would like to refer honourable senators particularly to sections 2, 3, 4, 5, 6, 7 and 8. The total amount now asked for is \$624,592,837.43, made up as follows.

Section 2 of the bill provides for one-sixth of all the items to be voted in the main estimates for the fiscal year 1958-59 except three votes which were authorized in the supply bill I have just mentioned. I refer