

Hon. Malcolm MacDonald, British High Commissioner to Canada, in addressing the Canadian Club in Toronto last week, had this to say:

Two years ago Prime Minister Winston Churchill was inclined to underrate the importance of the Commonwealth Air Training Plan in Canada, believing that other things were more important and powerful items in the war plan. But to-day Mr. Churchill believes it to be one of the greatest and most irresistible forces at our command.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. KING: I should like to direct the attention of honourable senators to the rapid increase in our war expenditures since 1939. For the fiscal year 1941-42 the Estimates showed total war expenditures of \$1,431,000,000, as against a total of only \$118,000,000 for the fiscal year ending March 31, 1940. A comparison of these figures shows how rapidly our war effort has been growing and its cost increasing. Honourable members may recall that the total cost to Canada of the last war was estimated at about \$1,680,000,000. This year we are likely to spend on our direct war effort alone substantially more than the total cost of the last war.

If we examine the Bill in detail we shall find that section 2 is the main operative section. It provides for the grant of \$2,000,000,000, less the sum already voted, towards defraying any expenses or making any advances or loans that may be incurred or granted by or under the authority of the Governor in Council during the year ending March 31, 1943, for war purposes. In this section provision is made for the allotment of funds by the Treasury Board. It has been found that in practice it is desirable to provide that the Treasury Board shall check estimates and allot funds after the Governor in Council has approved of the principle of specific projects. It may also be noted that any money received as a refund or repayment of any advance, loan or expenditure made under the authority of previous War Appropriation Acts or of the new Act may, with the approval of the Governor in Council, be expended, advanced or loaned for the purposes mentioned in the Bill.

Section 3 enables the Government of Canada to act as the agent of the Government of any British or other Allied country for any purpose which will aid directly or indirectly in the prosecution of the war, and any obligations or costs incurred temporarily or assumed by the Government of Canada, acting in its capacity as such agent, may be paid out of any unappropriated moneys in the Consolidated Revenue Fund. This provision, which is subsection 1 of section 3, has been in all War Appropriation

Acts since the beginning of the war. Subsection 2 has been added in the present Bill to make it possible for the Government to advance funds for the payment temporarily of expenses that may be incurred by Government-owned corporations set up to place orders for any British or foreign country allied with His Majesty. It is understood that this is desired primarily to enable the Government to advance funds to War Supplies Limited, a Government-owned corporation which accepts war contracts from United States Government agencies. The Corporation must be enabled to make progress payments to Canadian manufacturers, and when the project has been completed and delivered to the United States agency it will be recouped for the payments so made.

Section 4 is a standard clause giving the power to borrow, if necessary, for the purposes of the Act up to a maximum of \$2,000,000,000.

Section 5 merely gives the Governor in Council power to make such orders or regulations as may be deemed necessary to give effect to the purposes of the Act.

And section 6 provides that when the Treasury Board has made an allotment of any part of the appropriation to provide for the cost of any service, the Minister of Finance shall cause an accounting record to be maintained in a form that will disclose the financial commitments entered into and the expenditures made.

With this explanation I move second reading of the Bill.

Hon. C. C. BALLANTYNE: Honourable senators, as the honourable leader has pointed out, it is a well-known fact, in theory at least, that this Chamber has not authority to alter a money bill. Furthermore, we should have no desire to do so, especially in this case, when the \$2,000,000,000 is required principally for war purposes. I think I am safe in saying, however, that never before has there been placed before Parliament a money bill that covered so wide a field, including, as it does, not only the three fighting services, but also price control, subsidies, and other expenditures that you see listed on the last page of the Bill.

The present Prime Minister said to me not long ago that he regretted that senators were not more active in debate when legislation came before this House. There is a fine opportunity here for honourable members to enter into debate in regard to the subjects I have just mentioned. Every senator in this Chamber has a special knowledge of not only one particular problem, but many. Therefore,