

as they have done already. The United Nations must tell Germany and her allies very definitely that they cannot do these things unless they are prepared to take the consequences. And let us see to it that, if the things are done, the consequences shall be applied. What action should be taken and how it should be taken, I do not know, but I am thoroughly in sympathy with the idea that has been put forth by the honourable senator from Inkerman.

WAR APPROPRIATION BILL NO. 2
SECOND READING

Hon. J. H. KING moved the second reading of Bill 95, an Act for granting to His Majesty aid for national defence and security.

He said: Honourable senators, usually this House does not spend a great deal of time on financial bills coming from the House of Commons, but this measure is a little different from the ordinary supply bill, in the fact that it provides the appropriation which the Government is asking Parliament to grant for carrying on Canada's war effort during the fiscal year ending March 31, 1943. The appropriation for our direct war expenditure during the year will amount to two billion dollars, less the \$500,000,000 which we voted before Easter in an interim supply bill. It will also be remembered, and I think I should refer to it, that at that time we passed what is known as the War Appropriation (United Kingdom Financing) Bill, providing one billion dollars. A small portion of that appropriation had been expended during last year. The rest will be used this year to finance Great Britain's purchases in Canada of food-stuffs, munitions and so forth. So in these two Bills the Canadian Parliament is voting this year three billion dollars to be used directly or indirectly for war purposes.

An examination of the Bill will show that, in the first place, it votes at this time a maximum of two billion dollars for war purposes; secondly, that it authorizes the Governor in Council to borrow, by the issue and sale of securities, up to two billion dollars, to pay for any of the expenditures covered by this Bill and the War Appropriation Act No. 1; and, thirdly, that it empowers the Government to act as agent of any British or Allied Government and in this capacity to incur temporary obligations or costs, which are recoverable from the Government concerned.

In introducing this measure to the other House, the Minister of Finance indicated the allotment that would be made to each of the

war departments. I think it would be well to place these figures on our Hansard. They are as follows:

National Defence	
Army Services....	\$997,000,000
Naval Services...	259,000,000
Air Services.....	585,000,000
Sundry	21,000,000
	\$1,862,000,000
Munitions and Supply.....	355,000,000
	\$2,217,000,000
Less duplications and recoverable items, say.....	150,000,000
	\$2,067,000,000
Leaving for total Defence and Supply departments.....	\$2,067,000,000
War expenditures for other departments	146,000,000
	\$2,213,000,000

This Bill provides for only two billion dollars, but, as the Minister explained, if it is found, as it probably will be, that larger sums are required, he will be in a position to come to Parliament before the end of the year and ask for supplementary appropriations. One can well understand that in these uncertain times it would be very difficult to estimate accurately the expenditures necessary in our war effort.

In a statement made to the House of Commons on March 26, the Minister of National Defence gave a break-down of the amount allotted to his department, for Army Services, \$997,000,000. The break-down is as follows:

1. Canadian formations and functions, at present overseas, including increments to same.... \$494,746,183
2. Canadian formations and functions to be sent overseas during the fiscal year 1942-43..... 135,374,238
3. Coast defence, special detachments, guards for vulnerable points and other operational functions in Canada..... 166,095,931
4. National Defence headquarters and district services, including depots..... 41,696,443
5. Training and reinforcement functions in Canada, Active Army and National Resources Mobilization Act..... 74,748,414
6. Reserve Army, C.O.T.C's and reserve units of Veterans' Guard of Canada..... 30,154,575
7. Miscellaneous army activities in Canada, including C.W.A.C. ... 9,989,216
8. Revotes of funds already committed
9. Training equipment not provided elsewhere

\$997,000,000

On May 7 the Minister of National Defence for Naval Services presented to the other House a statement which I think it would be wise to incorporate in Hansard of the Senate.