

at Canadian Arsenals Limited. The total sum that would be voted under this section is \$114,516,603.83.

Section 3 would vote \$2,613,651.00, or one-twelfth of the supplementary estimates (Newfoundland). This is necessary because, as has been mentioned, Newfoundland was not provided for in the main estimates.

This afternoon I tabled certain further supplementary estimates. As the business of running the various departments of the government progresses throughout the year, it becomes evident that certain estimates made at the beginning of the year were too low and that more money will be needed. In certain cases it is found that the estimates were too high, and that there will be a surplus. It is not possible, however, to transfer the surpluses from those departments that possess them to those that anticipate deficits, and the government must return to parliament to seek further votes to cover deficits. In addition to these deficits, certain expenditures have to be made which the government could in no way foresee at the beginning of the year, and which are largely caused by factors which it does not control. This does not mean that the over-all budgeting of the government is bad, because surpluses realized at the end of the year usually more than balance the total deficits. To cover these deficits and unanticipated expenditures, the further supplementary estimates have been placed before you. They cover items either not sufficiently provided for in the main estimates or not mentioned at all.

Section 4 of the bill would vote \$5,876,758.33, or one-twelfth of the further supplementary estimates mentioned above.

Section 5 would vote \$468,750, or five-twelfths of the item shown in Schedule A to the bill. This item covers the Dominion Government's share of the cost of works already undertaken on the Fraser River Valley, under the agreement of July 22, 1948. This agreement was made with the province of British Columbia to reconstruct and improve the dykes on the Fraser River Valley. This is Vote 907 in the further supplementary estimates.

Section 6 is a borrowing section, and authorizes the Governor in Council to borrow moneys that may be necessary for retiring or servicing debts of the government which fall due in the fiscal year ending March 31, 1950. It in no way authorizes the government to increase the debt of the country.

The statement I have just read came to me from the Department of Finance. Honourable senators know that the passing of this bill in no way prejudices their right to discuss its contents fully when the final

estimates come before this house. Ever since I have been a member of the Senate it has been the custom to pass the estimates in this way, rapid though it may seem. The other house has passed this bill and, when it has received favourable consideration by this house, the Deputy of His Excellency the Governor General will come and assent to this and another bill at 6 o'clock. For these reasons, I move second reading of the bill.

Hon. John T. Haig: Honourable members, I have always had a strange feeling when bills for supplementary estimates have been brought before this house. The honourable leader of the government always makes the statement, and it is of course true, that we may discuss the whole problem when the final estimates come before us. But for the fifteen years in which I have been a member of this house the final estimates have not been considered until the last afternoon of the session.

Now, honourable senators, I do not believe that the Senate is making its proper contribution to the discussion of budget matters. I am not so much concerned about the details of the financial business of the country as I am about the general financial policy. I think that the present way of voting supply is a hopeless muddle.

During the past two days we have listened to several speeches in this house: I refer particularly to the remarks of the honourable member from Toronto-Trinity (Hon. Mr. Roebuck) and the honourable member from Inkerman (Hon. Mr. Hugessen), both of whom expressed themselves strongly on the present financial situation. One does not need to be a prophet or the son of a prophet to realize that our country is facing a crisis. If the honourable member from Northumberland (Hon. Mr. Burchill) was correct this afternoon, when he voiced concern for the province of New Brunswick, it appears to me that we shall have difficulty in selling timber to Europe and the United Kingdom. I have noticed the reports—I am not an authority on the subject—that the Scandinavian countries have depreciated their moneys 30 per cent. Great Britain is now negotiating for newsprint and other timber products from those countries, and with our currency depreciated 10 per cent we cannot hope to compete with them for this market.

I listened carefully to the speeches of both the honourable member from Inkerman (Hon. Mr. Hugessen) and the honourable member from Toronto-Trinity (Hon. Mr. Roebuck). I think I got more from the second speaker than from the first. While I may disagree in part with them, I am forced to the conclusion that the sterling countries are in a very difficult position. United States and