

amended without the approval of the board, and the expenditures charged to the appropriation shall be limited to the amounts of such allotments.

Now, Mr. Chairman, to refer back to the 1954-55 estimates, the cases that were involved in the Auditor General's comments deal with four votes; they were votes 323, 324, 325 and 326 of that year. To take just one, vote 323:

Northwest Territories, including Wood Buffalo park and Eskimo affairs—

323. Operation and maintenance.

That vote was broken down in the blue book into about seventeen primary allotments with the totals for extra primary allotment. The situation is that the department can spend, for the purposes of each allotment, up to the amount that is specified in the blue book; but if for any reason it wants to make an expenditure beyond the amount shown for that allotment it has to go to the treasury board and if there are adequate funds available in the fund for other allotments it can seek a transfer from one allotment to the other.

Q. As long as it is in the same vote?—A. Yes.

Q. That is the practice followed by your department?—A. It is followed by all departments and is provided for by section 29.

*By Mr. Applewhaite:*

Q. Will the adoption of this new system of drawing cheques only when you are able to make payment result in a large number of re-votes and estimates year after year?—A. Mr. Chairman, it will result probably in more re-votes, but by following up these things closely we think that it should not result in a lot of re-votes. We will try to keep the number down because it throws out our operations for the following year.

*By the Chairman:*

Q. Are there any further questions on paragraph 34 of the Auditor General's report? If not, Mr. Robertson will have some remarks to make on paragraph 45 of the Auditor General's report concerning the council of the Northwest Territories.—A. Mr. Chairman, in paragraph 45 of the Auditor General's report, the Auditor General referred to the travelling and living allowances of the members of the Northwest Territories Council and he said:

The point of audit concern is the use of an ordinance instead of having practice regulated by act of parliament, because (a) five of the nine members are appointed by the crown, therefore it seems desirable that the independence of the elected members be safeguarded, and (b) it is a constitutional rule that no loan out of public funds should ever be made to an elected representative of the people without the sanction of the appropriate legislative authority, which in this instance would appear to be the parliament of Canada. Reference is now made to the subject because it was observed that two advances remained outstanding for many months.

With respect to point (b) which the Auditor General makes, our view is a different one to his. I do not think that the appropriate instrument in this case, the appropriate legislative authority, should be a specific act of parliament. We think the appropriate legislative authority is an ordinance of the Northwest Territories passed under the enabling provisions of the Northwest Territories Act. I might explain how this is handled which may make it