

account of the small staff at my disposal for that purpose, were carried out in connection with provincial and municipal relief accounts. Offices in five of the provinces have been visited, viz.: Ontario, Quebec, New Brunswick, Nova Scotia and Saskatchewan. In the course of these surveys and/or investigations, which are ultimately to be carried out in all provinces, comments on which were communicated to the honourable the Minister of Labour, and also, for his information, to the honourable the Minister of Finance, my investigators found that some provincial audits and methods of controlling relief expenditure were either inadequate or insufficiently effective to ensure that all disbursements were made in accordance with the provisions of the acts, the agreements between the provincial and federal governments, and the regulations and directions concerning the relief administration.

So as early as March 31, 1932, we have the auditor general stating in his annual report to parliament that he had advised both the Minister of Labour and the Minister of Finance that the provincial systems of audits were not sufficient to protect the moneys which the provinces were spending, some of it their own money but that reported on, in particular, the federal moneys, and that as a consequence waste was taking place.

The auditor general's report for the year ending March 31, 1933, the one that was tabled this year, contains a reiteration of the same sort of thing. At page xxiii of the introduction the auditor general says:

The provincial audits in most cases—

In most cases, mark you:

—were found to be inadequate and not sufficiently protective against loss or waste of money. These audits were not in all cases conducted by the provincial auditors. An impartial audit of the relief expenditures was however conducted by some of the provincial auditors who also carried out local audits of the municipalities' relief accounts.

All the statements of expenditures received in this office were certified by the respective provincial auditors, in the form required by the Department of Labour.

One of the principal obstacles to the introduction of uniform and efficient methods of administering unemployment relief in all provinces was the insufficiency of directions and regulations, particularly regarding the administration of direct relief by the municipalities of the various provinces. For this reason, there has developed throughout the provinces a great variety of systems, some of them unsatisfactory, of dealing with these expenditures, with the result that the relief moneys were not in all cases sufficiently safeguarded and that waste, abuses, duplication of payments, et cetera, frequently occurred.

When we have the auditor general directing the attention of parliament to the fact that waste, abuses and duplication of expenditures frequently occur, and that these have resulted because there have not been proper directions

as to how these moneys were to be expended and how expenditures were to be supervised, surely when this has been brought to the attention of the government in all the different reports, as well as the other reports which have been tabled, before this bill passes this House of Commons there should be included in it a provision which will serve adequately to protect the public treasury with respect to the moneys to be paid out hereafter. This is the last opportunity that we will have to protect the expenditures to be made for the period of another year under this measure. I ask hon. members: Is it right to assume for one moment that these abuses, that this waste and abuses and duplications and the rest of it which has been emphasized so strongly by the auditor general in his reports will not continue unless there is an express provision which will safeguard expenditure of public moneys in the way in which it ought to be safeguarded? It is a most astonishing thing not only that the facts are as I have described them but that members of the ministry should apparently be seeking to mislead the public with regard to the actual control that we have had. That is a strong statement to make, but I should like to read a paragraph of a report of a speech of the Minister of Trade and Commerce (Mr. Stevens) made in Ingersoll on April 13 which more than amply justifies it. This report appeared in the Toronto Globe of April 14, but the same report appeared in other papers. What did the minister say with regard to the question of the expenditure of public moneys in the way of relief? The report reads:

Mr. King's Wednesday evening charge that the government had unconstitutionally taken and distributed millions of dollars for relief purposes was replied to by Mr. Stevens.

"Every single item was brought before parliament," said the speaker, "and was laid on the table."

Mr. BENNETT: That is right; that is true.

Mr. MACKENZIE KING: The Prime Minister says, "that is true." I confess then that I am at a loss to understand the English language.

Mr. BENNETT: It is like reading Donald Sutherland's report.

Mr. MACKENZIE KING: The Prime Minister says that it is true. We have now, with the Prime Minister's words in addition, got all that we need to present the truth of the situation to the electorate. The Prime Minister of Canada as well as the Minister of Trade and Commerce says that