

Mr. DUNNING: My right hon. friend will remember my embarrassment at the lack of opportunity for the standing committee to examine it under the circumstances.

Mr. BENNETT: The standing committee examined the budget for 1936—that budget was prepared last year—and it examined the budget for 1935. The minister brought in the legislation that was essential for the purpose of providing for capital expenditures, refunding and matters of that kind, but the railway company was on its toes, to use the language of the street, to make that deficit as low as possible. As a matter of fact it succeeded in making it much less than was anticipated at one time. To vote money in advance in anticipation of a deficit is something which I do not think is ever done in ordinary business enterprises. I was not going to discuss this matter until after the standing committee had discussed the budget, but I am bound to point out that when this is done one of two things happens. The amount estimated is usually an outside figure which it is not expected will be reached, or the figure is one which it is known is too low. Very often such a figure is put in so as to impress the committee with the fact that it has been pared down to the last sou, and then they find that conditions necessitate its being larger. On the other hand, if you take a figure of \$50,000,000 and do not expect that your deficit will be that great, you are inviting, as the hon. member for Kootenay East (Mr. Stevens) has said, an effort to spend it on deferred maintenance and matters of that kind. I do not think this departure is a sound one, but I shall discuss it later when the budget of the railway company has been considered by the standing committee. I think the resolution might stand until the budget has been considered.

Mr. DUNNING: My right hon. friend would prefer that it does not go to the standing committee as yet?

Mr. BENNETT: Let them see the budget first, because the figure may be different from what it now is.

Mr. DUNNING: The railway budget is down.

Mr. BENNETT: It may be reduced by the committee. The budget is only before the committee; it has not been presented to the house.

Mr. DUNNING: It never is.

Mr. BENNETT: It reaches the house indirectly when the committee brings in its report.

Mr. DUNNING: I am content to move that the committee rise, report progress and ask leave to sit again.

Progress reported.

### NATIONAL HARBOURS BOARD

#### PROVISION FOR ADMINISTRATION AND CONTROL OF PUBLIC HARBOURS

The house resumed from Wednesday, April 22, consideration in committee of Bill No. 17, respecting the national harbours board—Mr. Howe—Mr. Johnston (Lake Centre) in the chair.

The CHAIRMAN (Mr. Johnston, Lake Centre): When the committee rose last evening we were dealing with section 4, subsection 1.

On section 4, subsection 1—Officers, clerks and employees.

Mr. CAHAN: Before we proceed to the consideration of this section, I would like to ask the Minister of Marine (Mr. Howe) if he will lay on the table the opinion of the Department of Justice to which he referred in the discussion yesterday in connection with the necessity of inserting subsection 2 of section 3 in this bill. I have looked over the farm loan acts of 1927, 1934 and 1935, and I cannot see that the insertion of certain words in the farm loan acts necessitates the insertion of this subsection 2 in this bill; there does not appear to be any proper relationship between the two pieces of legislation.

Hon. C. D. HOWE (Minister of Marine): No specific written opinion was given on that point. The bill was drawn up by the solicitor of the department working with the solicitor of the Department of Justice. The representative of the Department of Justice assured me that there had been an opinion of the department, and I have no doubt the department would be glad to submit a written opinion if the hon. gentleman so wishes.

Mr. CAHAN: I inferred from the statement made by the minister that an opinion had been given, that the minister had referred to the department the suggestions I made on the second reading and that the department had decided against the views which I had then expressed. I do not wish to raise any irrelevant issues, but I have looked at the Farm Loan Acts of 1927, 1934 and 1935 and I