

that perhaps "allotment" is a better word than "appropriation," for the appropriation amounted to \$20,000,000, and that part of the appropriation which was not allotted lapsed. But inasmuch as there was a contractual obligation outstanding, and the sum total of the contractual obligations did not exceed the \$20,000,000, the allotments made by order in council to meet the obligations created by the contracts with the provinces and through them with the municipalities for the purposes mentioned, I think come directly within this section. If the comptroller were asked to provide a statement there would be clearly before him, under the other sections, the contracts under which the provinces of Saskatchewan, Alberta and Manitoba, for example, on their own behalf directly and with respect to the municipalities undertook certain things. If their works were not carried on our obligation to pay would not arise, but if the works were carried on it would be a continuing obligation going beyond March 31. Many contracts extend beyond the fiscal year; for example, there are contracts in connection with mail and steamship subsidies which extend for a term of years. Then there is the statutory contract with the Federal District Commission, which provides for the payment of a certain sum of money yearly for a given number of years. This is but an illustration of the same principle. The sum total of the obligation is fixed by the appropriation of \$20,000,000. That may or may not be all expended. If there are no obligations or allotments of that sum under the contracts made with the provinces and municipalities for direct relief, the balance lapses. But to the extent that these obligations are existent I think, with some degree of certainty, it must be said that there is strict compliance with the general principles of parliamentary control. The control, in the first instance, was over the grant and, secondly, the control is over the contracts which have not entered into the lapse, the allotments being made to maintain the validity of the contracts and meet the obligations created thereby.

Mr. MACKENZIE KING: With the latter part of what my right hon. friend is saying I can agree, that is to say what he has just said with respect to matters of contractual obligation incurred before the fiscal year is up. What I was taking exception to was the use of money appropriated one year to meet expenditures in a subsequent fiscal year which were not in the nature of expenditures arising out of any contractual obligations. Let me illustrate concretely with

reference to the act respecting unemployment relief. A part of the \$20,000,000 appropriated at the special session was to go towards paying the municipalities and provinces for work undertaken. I can understand that work might well be undertaken before the end of the fiscal year for which payments were not made before the expiration of the year, and, in such cases, the moneys appropriated could rightly be drawn upon to make good contractual obligations. Part of the money was also to be set aside to meet what was necessary in the way of immediate relief that might arise to aid transients who were unemployed for example—

Mr. BENNETT: Called direct relief.

Mr. MACKENZIE KING: Yes. Now, with respect to direct relief, on March 31, no one had any knowledge of what the direct relief in the next fiscal year was likely to be, and with respect to that part of the appropriation, if there was any balance at the end of the fiscal year, I submit, it should have lapsed at the end of the fiscal year; it should not have been carried over to be expended in this fiscal year. Provision should have been made at this session for that purpose. For example, the Minister of Labour indicated at Edmonton a few days ago that a certain amount would be paid to the municipalities and the provinces for this transient relief, and he quoted a proportion of Dominion expenditure larger than any given heretofore. I have no exception to take to his entering into an undertaking of the kind with the municipalities and the provinces in this fiscal year, but what I say is that the administration should bring in, in this new fiscal year, an appropriation to cover that obligation as belonging to this year, and it should not be charged to an appropriation of a previous year. So long as my right hon. friend holds to the words, "appropriated for a purpose," I think he has in mind exactly what I mean. But when he speaks of allotment and tries to carry over the outlay from one year to another under that head, he is departing materially from the spirit of the legislation he is now proposing.

Mr. BENNETT: I appreciate the right hon. gentleman's point. I did not fail to appreciate it as he made it the other day. The difference between the right hon. gentleman and myself is merely this. Having made inquiries in the early part of the year, in February or early in March, as to the probable claims that might be made for direct relief, and having considered these, council made an allotment of \$4,000,000 for direct