

Mr. BENNETT: And the first part is covered by section 7.

Mr. ROGERS: Yes. I would hesitate to take exception to that view. I have before me, however, certain orders in council passed under the terms of the Relief Act, 1935, and I believe under previous relief acts, having to do with the functions to be exercised by the auditor general in relation to relief payments.

Mr. BENNETT: I have not all these documents before me, and it is months since I have seen them, but I think that is done under the provisions of the act dealing with the functions of the auditor general.

Mr. ROGERS: Perhaps I might read the first two clauses of the order in council, and that will recall it to my right hon. friend.

Mr. STEVENS: What is the date of that?

Mr. ROGERS: The date of the order in council is June 20, 1935, and it reads:

The committee of the privy council have had before them a report, dated 12th June, 1935, from the Minister of Labour, submitting—

(1) That under the provisions of the Relief Act, 1932, it was directed by order in council dated September 30, 1932, that—

(a) "the auditor general ... conducts such audit of provincial accounts in connection with unemployment relief expenditures as he deems essential to safeguard the interests of the dominion treasury," and

(b) "the auditor general ... investigate the provincial systems of auditing municipal relief accounts to the end that the dominion government may be satisfied that the municipal accounts put forward by the provinces are in accordance with the agreements entered into between the dominion government and the provinces."

Sir GEORGE PERLEY: That is simply asking the auditor general to carry out his functions under the Consolidated Revenue and Audit Act, and the subclause suggested to this clause would give that power to the commission.

Mr. ROGERS: If I may say so, it would not give it to the commission, because it is simply power to recommend.

Sir GEORGE PERLEY: Yes, power to recommend.

Mr. ROGERS: From my rather brief experience with expenditures for relief purposes I have been impressed by the fact that we are having claims for repayment of accounts going back two or three years. That is as a result of investigations which have been conducted by officers of the department of the auditor general.

Mr. BENNETT: The expenses were paid out of the relief act; I remember that.

Mr. ROGERS: Apparently it is a matter of extreme difficulty to secure a proper audit of these expenditures, due to the fact that in many cases they were on a tripartite basis under earlier relief legislation. Only recently I have had communications from the provinces objecting to the rulings of the auditor general in respect of accounts going back three or four years. It does seem to me that the whole question of the audit of relief expenditures is one deserving of some study. It may be that the terms of the audit act are sufficiently wide, but frankly I am not in a position to say whether or not that is so. All that was in view in connection with this clause was that the matter of auditing the expenditures should receive careful study, and recommendations made accordingly.

Sir GEORGE PERLEY: Why is the word "supervision" put in here, when there is provision for that in section 7?

Mr. ROGERS: It would be a proper supervision of expenditures, an audit of expenditures.

Sir GEORGE PERLEY: That is specifically provided for in section 7.

Mr. MACKENZIE KING: Section 7 makes it a function of the commission to supervise expenditures. This is a different function. This is a function of recommending to the government effective means of securing an adequate supervision. It is a different thing.

Mr. BENNETT: The statement of the Prime Minister makes it clear that only a recommendation is made, but I do not think the amendment as it reads makes that provision.

Mr. MACKENZIE KING: I think it does.

Mr. BENNETT: Would the chairman read it again?

The CHAIRMAN (Mr. Johnston, Lake Centre): It reads:

That paragraph (c) of section 6 be amended by striking out the words "a proper provision" in the fourth and fifth lines of said paragraph (c)—

Mr. BENNETT: And how will it read?

The CHAIRMAN (Mr. Johnston, Lake Centre): It continues:

—and substituting therefor the words "when necessary an effective supervision—

Mr. BENNETT: And auditing.

The CHAIRMAN (Mr. Johnston, Lake Centre): Yes.