

intricate wording of the first part of paragraph 1 (b) of this resolution, and I invite the minister to do that.

Mr. ILSLEY: Mr. Chairman, no part of the amount that has been spent under the War Appropriation Act of 1940 has been allocated specifically to the purposes set out in paragraph 1, which is the same as a corresponding paragraph in the War Appropriation Act of 1940.

Mr. HANSON (York-Sunbury): Nothing was spent this present year?

Mr. ILSLEY: No; no sum has been specifically allocated to that. There have been sums spent in nearly every department of government, but they are fairly small sums. The main expenditures have been, and needless to say will be, in the three defence departments and the Department of Munitions and Supply. But there are certain expenditures which are due to the war, and we try to be very careful not to allow any expenditures to be made under the War Appropriation Act which are not properly made under that act, but to allow only those which are due to the war and are really war expenditures. But war expenditures are made in nearly all if not all the departments of government. That is the best information I can give the hon. gentleman in answer to his question, but I cannot tell him what expenditures are made under 1 (c) or under the corresponding subparagraph of last year's War Appropriation Act.

I am not aware of anything having been done in the way of providing for insurance or indemnity against war risk. There has been some discussion of it, and some suggestions made that something like that should be done, but I am not aware that anything yet has been done.

Mr. HANSON (York-Sunbury): If that is so, why is it necessary to keep this in—if the government has not any programme? What the minister says is quite true. I presume this statement, "Other departments, \$18,540,000," which is included in the \$538,804,000 tabulation on the first column of page 822 of *Hansard* of February 18, does apply to every other department. Who decides, may I ask, whether a particular expenditure is a war expenditure or not, because the distribution of these amounts may make a very great deal of difference?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): I do not mean to say that it will make a great deal of difference to the sum total of the expenditure, but it will make a great deal of difference as to whether it is true war expenditure or

whether it is peace-time expenditure made and charged to the war. That is a very important function, and I wonder who attends to the distribution of that, and how it is done. Does the Department of Finance do that? Does the comptroller of the treasury have anything to do with that? Is it the auditor general, or who? I thought the hon. gentleman might dig into these details with a great deal of profit.

Mr. ILSLEY: Yes. That is done by the governor in council either directly or through the instrumentality of the treasury board. The applications are made to treasury board for allotments or approval of draft estimates to be charged against the War Appropriation Act. The matter is considered, and a decision is made as to whether it is properly chargeable against the War Appropriation Act.

Mr. HANSON (York-Sunbury): Is it left to the decision of the treasury board itself, or is there any system of expert accounting advice—I will put it that way—as to what is and what is not so chargeable? I am not an accountant, and I assume the minister is not either, but I know that there are standard accounting systems in respect of different classes of industrial, public utility and commercial operations, and that accounting has grown to such a fine point that to-day an expert in this line is able to direct and tell public utility corporations and so forth just what the proper practice is. Has advice of that nature been sought and obtained, or is it left to treasury board, which, as the minister knows, is a sub-committee of the cabinet, presided over by himself, and with a secretary—a very competent secretary, I think, if it is the same man who used to be there? Is any one of these gentlemen who sit on treasury board competent to say, from expert experience and advice, what should be allocated to war and what is a peace expenditure? Let us have the low-down on that, if I may use that expression.

Mr. ILSLEY: The treasury board as such assumes that responsibility unless, as I have said, it is taken by council itself. In some instances, council takes it itself directly; but treasury board has the advice of its experienced officials.

Mr. HANSON (York-Sunbury): Are they competent to give the advice, and is it sought and taken, or is there any occasion on which their advice is rejected?

Mr. ILSLEY: I cannot remember any instance when their advice was rejected. But it is not their responsibility; it is the responsibility of treasury board itself.