

council, not by governor general's warrant, for the extension for two months of the time of payment of all liabilities incurred before the end of the fiscal year.

Mr. BENNETT: A specific case arose a year ago, and upon consultation with the Department of Justice it was found that there was grave doubt as to our ability to deal with the situation unless we included the provisions of section 9. Section 10 deals with the actual conditions of this year's work. We were hoping that this would be the end of this form of legislation and this provision would enable the government to clean up the situation in the manner I have indicated. Having regard to our experience last year in connection with expenditures for which we did not get vouchers, it was thought desirable to deal with it in this way.

Mr. RALSTON: The Prime Minister will remember the discussion which took place in 1931 when a special vote was brought down for capital requirements of the Canadian National Railways. At that time the Prime Minister had a provision in the bill to this effect:

Notwithstanding the provisions of the Consolidated Revenue and Audit Act, this appropriation shall not lapse before May 31, 1931.

He proposed to incorporate in the bill permission to extend payments under it over a period of two months after the end of the fiscal year. His attention was directed to this matter by the hon. member for Rimouski (Sir Eugene Fiset) who, from his long departmental experience, was very familiar with the audit act. After considering the matter, the Prime Minister moved to strike out that clause. I do not know that I recall the exact words of the hon. member for Rimouski, but his argument was to the effect that this was a grave invasion of a very important principle which had been laid down in connection with capital expenditures. Section 49 of the act says that the bell rings and the fiscal year closes on March 31, and that all bills shall be in at that time. However, in order that the public service may not suffer there is a provision in the same section which says that for two months afterwards the governor in council may, by order in council, pay accounts for expenditures which have been incurred prior to the end of the fiscal year; in other words, two months' leeway is given. I ask the Prime Minister if he cannot see his way clear to accept the amendment now proposed in connection with this measure in order to preserve that principle. When the Canadian National bill to which I have referred was under consideration in 1931, the Prime Minister gave as

a reason for the insertion of this clause the fact that it was a very special matter and that the advice given by the auditors was that it was desirable. He said it was for that reason and no other that the clause was inserted. At page 517 of Hansard of March, 1931, he is reported as having made this statement:

This is not our money for the purpose of expending it as we please.

In other words, the fund was specially earmarked for the purpose of expenditures for the Canadian National Railways. This, on the other hand, is a general fund earmarked for relief purposes, but without the limitation of a specific amount, and it may be devoted to a variety of purposes. So that the special nature of the funds in connection with the bill with which we are dealing to-night is not nearly so pronounced as it was in connection with the Canadian National bill of 1931. He proceeds:

It is required to meet specific deficits in the operation of the railway; and their audit is made, not ours. All we do is to pass it out of our hands under the circumstances to which I have alluded. I desire, inasmuch as it may be difficult under present conditions to raise the sum of money required in a moment or two, that we and the railway company both should have an extension of time until the 31st of May in which to deal with the matter. It is unusual, I admit. It has been done only once before, but that was on an occasion somewhat similar to this. If the committee thinks that the public interest is not being as well served in this way as in some other, I am content; but it might result in the sum of money not being made available at all.

Now that we have had relief bills for two years without this provision, I would ask the Prime Minister seriously to consider accepting the amendment.

Mr. BENNETT: We could not accept the amendment the hon. gentleman has offered without dislocating the whole machinery, unless we got in the accounts a little more rapidly than we have. I shall be quite content, if it will meet the wishes of the opposition, to add these words, after the words "revenue fund":

—at any time prior to the first day of July, 1935.

That gives a little longer than two months; it gives to the end of June—April, May and June—in which to clean up the situation. I think the hon. gentleman will realize, having regard to the difficulties of getting the accounts straightened out, audited and vouched, that it might take that time, and if it will meet the situation I suggest that the amendment be accepted.