

Mr. DUNNING: It certainly applies to this particular class of equipment. It has, however, no relationship to the amount which may or may not be capitalized. The amount which may be capitalized has a definite limit in the vote which will come before the house by and by. The only means, so far as I know, of adequately controlling the government in making defence commitments is to have the minister state plainly, in connection with every item as he puts his supplies through, how much of future commitment is involved in the vote. This year we have gone a considerable way in outlining it in the details of the estimates. I do not know that one can be too arbitrary about it, but as Minister of Finance I have always felt it my duty to see to it that large commitments are not entered into on the basis of token payments merely, without parliament being fully cognizant of the position. That is about as far as one can go. It is very difficult administratively at times. For instance, suppose we ordered a number of aeroplanes from England, delivery of which the war office tells us can be made three years hence. Now there is merely a nominal payment to be made on the giving of the contract in the first place—say \$10,000—but the total cost might be in millions. If you took a vote for the millions in the year in which the order was given it would be useless; it would be merely padding the estimates to no purpose whatsoever. The important thing is that parliament should be fully advised as to what those future commitments are in order that there shall be no running away without the authority of parliament.

Mr. WOODSWORTH: If I may revert to my former question, I am not really clear yet as to why this particular method of finance should be employed in connection with the national defence estimates when it is not the practice in other departments where capital expenditures readily might be distinguished from current expenditures.

Mr. DUNNING: My hon. friend will see, if he looks at the national defence estimates, that in addition to the expenditures of the department authorized this year, there is a vote which must come out of the taxpayers this year of \$3,000,000 to amortize the capital portion of the expenditures previously authorized. If we applied that to every public building, every form of capital expenditure at the present time, we should have a larger amount to vote by way of instalments than we can possibly stand under the conditions that now prevail.

Mr. LAWSON: Or spend during the next year.

Mr. DUNNING: Or provide during the next year. We might fool ourselves by putting in a lot of these things and voting them and then find ourselves with a revenue deficit, being consequently under the necessity of borrowing money to retire other borrowed money, which would be a foolish procedure. I am hopeful that by this means we may get on the basis of arranging to liquidate capital expenditures as we create them. I have been rigid in the past four years in what I have admitted to consideration as capital expenditures. I have admitted as a capital expenditure nothing which had not on its face the obligation to repay in some form or other, nothing which did not appear as if it would reasonably be repaid. Then I was content to capitalize it. Even some of these might be subject to the criticism that we might not get the money back. The advances to the farm loan are capitalized; the advances under the housing act are capitalized; the advances to the Canadian National Railways, otherwise than for deficit are capitalized. Our public buildings are not capitalized. Our Municipal Improvements Assistance Act is capitalized because we have the obligation to repay from those who received that money. That is proper and sound, but we have not capitalized expenditures on public buildings.

In answer to the hon. member for Winnipeg North Centre, I might say that if we started capitalizing expenditures on public buildings and improvements of various kinds, it would be desirable to set up this kind of sinking fund provision in connection therewith and vote the instalment each year. That is what I am trying to start in this connection. It seemed a good place to start, on the defence expenditures, and the house will have before it each year what represents one-tenth of the total amount capitalized, which must be provided each year in order to keep up the retirements.

Mr. MacNEIL: I want to be clear as to the method by which parliament controls commitments. I understand that with regard to housing enactments, parliament provides by statute from time to time an outside sum for housing purposes. In what respect will parliament obtain knowledge with regard to commitments made, apart from the amounts actually appearing in the annual estimates?

Mr. DUNNING: It can only be done on each item when each minister is putting