

*Unemployment Insurance Act*

that is why they brought in section 137(4) and section 133(b). The only other way they could get money is under section 133(b) which reads:

—any other amounts provided out of the Consolidated Revenue Fund for any purpose related to unemployment insurance that is authorized by an appropriation—

I say that authorization by appropriation means that it must be done with the consent of parliament. This is the institution which stands supreme when it comes to this bill. The paragraph continues:

—by parliament and the administration of which falls to the commission.

That is what it is all about. That was the control which was accepted by the committee and by all members of the House.

**Mr. Knowles (Winnipeg North Centre):** Would the hon. member permit a question?

**Mr. Alexander:** Mr. Speaker, my time is extremely limited. I would like to accommodate the hon. member, but he has had his opportunity. He has had 40 minutes, and now I would like to pursue the theme of my remarks. If there is any time left, I will be happy to allow him a question.

What happened? By the middle of August, I respectfully submit, and at the time when we came back to deal with the B.C. port strike, the government knew the exact state of the unemployment insurance fund and it knew it was running into difficulty. Knowing that—and I say that it did—by September 1, they could have informed parliament of the predicament in which they found themselves. They would have had to tell the truth then, and who knows what they were thinking about in terms of the election. We all know that they could not afford to let any cats out of the bag at that time.

I heard them on the other side saying that is not true; they did not know anything until the middle of September. I do not buy that nonsense. Knowing that they could not divulge anything, in their own devious and sneaky way they looked to section 23 of the Financial Administration Act. I submit that what they tried to do was to legislate not by parliament but by Governor General's warrant. They increased the limit that was set by parliament—the limit that was accepted by everyone—in the first instance by \$234 million and that is when they ran into trouble.

We do not question the use of these warrants. What we question is the government's timing. I have heard it said, and I have read that this has been one of the most unique situations that some people have ever seen. It borders on impropriety, on illegality and on disrespect not only for the House of Commons but for the people of Canada.

**Some hon. Members:** Resign.

**Mr. Alexander:** The whole approach was calculated to deceive. They knew they were in trouble by the middle of August, 1972, but they remained silent. I think this government should be criticized for this in most profound terms. Knowing that they were in trouble, knowing that the people of Canada should be told, knowing that parliament should be informed, they remained silent until it was convenient for them to let the cat out of the bag.

[Mr. Alexander.]

When can warrants be sought? I will not be repetitious in this regard, but let me just point out that, as has been stated by those on this side of the House and by some hon. members on the other side, they can be sought when parliament is not in session, when payment is urgently required for the public good, when there is no appropriation for the payment, or the need for payment was not foreseeable when parliament was last in session.

I should like to state that parliament was dissolved on September 1, 1972, yet on October 5 a warrant was issued. I say, read between the lines.

There was a continuing situation from mid-August, yet they want us to believe that they had no idea of the unhealthy state of the fund, a situation which should have required them to make an immediate disclosure, to inform the House and the people of Canada. They say that it was not that bad. I cannot buy it. I understand that if the government had acted as it should have acted in the interest of the country, it would have asked for the issuance of Governor General's warrants for immediate payments, not anticipatory payments. Yet this is what the government did; they asked for \$234 million, which was beyond what was required for immediate payments.

If parliament is not sitting, Governor General's warrants can be acquired when necessary. But the government cannot legislate by way of Governor General's warrants. The government could have asked for warrants as time and circumstances demanded, but instead they went too far. A special warrant cannot be granted when the legislative authority does not exist. It provides funds only for expenditures for which parliamentary authority exists. In the case of the two special warrants for the UIC account the case against granting warrants is even stronger, because under section 137(4) parliament expressly and succinctly provided that the total amount paid under the section shall not exceed \$800 million.

What have they tried to do? They have brought in Bill C-124. We have already had some discussion about dealing with it in the other place in terms of one vote. What have they done? As I read the explanatory note of Bill C-124 as it applies to clause 2. I find these words:

This clause would provide that the appropriation described therein will not be treated as an appropriation referred to in paragraph 133(b) of the Unemployment Insurance Act, 1971, but instead will be dealt with as an advance, which is repayable with interest in accordance with section 137 of that act.

• (2050)

This means that section 23, as I understand it, relates to appropriations. Appropriations are grants. If this is a grant, then obviously the Minister of Finance would have to make some record with respect to his budgetary statements in the future. If it is a grant, then it comes from the general tax coffers. I respectfully submit that that is really what happened.

Notwithstanding the fact that section 23 refers to it as an appropriation, the government says, using tricky legal language, that it shall be deemed to be an advance. In other words, when we are through dealing with all the intricacies of the bill the ceiling will be wiped out, the sum of \$454 million will be in the unemployment insurance account as an advance, which in turn means that employers and employees will have to carry the burden of the