

Up to February 28, 1966 none of this money had been required by the Board.

5. The special warrant dated December 29, 1965 included \$1,350,000 for the Government contributions as employer under the Canada Pension Plan and the Quebec Pension Plan, and \$1,350,000 for "special accountable advances to or in respect of persons who are employed in the public service..." relative to their contributions to the Canada Pension Plan and the Quebec Pension Plan.

These sums were not utilized until February 17, 1966 and February 25, 1966, respectively, both days on which Parliament was sitting.

Following the use of Governor General's special warrants in 1962-63, the Public Accounts Committee recommended in its Fourth Report 1964 that a study be made of the procedures surrounding their use (see Appendix 1, item 8). In commenting on this recommendation the Minister of Finance advised the Chairman of the Public Accounts Committee on March 4, 1965 as follows:

...the Secretary of the Treasury Board undertook to consider the desirability of enlarging on the special Governor General's warrant provisions in the Financial Administration Act (in particular section 28) in order to clarify its application to situations arising when Parliament is dissolved without having appropriated the necessary expenses of the Public Service. Suggestions have been discussed for changes in this section of the Financial Administration Act, and these are now being studied. Should the Government decide that an amendment to the Act is desirable, it will present its proposals to Parliament in the usual way.

The Public Accounts Committee has not yet examined paragraph 45 of our 1964 Report in which we commented on Governor General's special warrants used during the months of April and May 1963, citing three items from these two warrants which did not meet the test of being "urgently required for the public good".

The Chairman: Mr. Henderson, do you have any observations?

Mr. Henderson: This Committee last studied this subject four years ago when it heard evidence from the Secretary of the Treasury

Board and the Deputy Minister of Finance. The Committee recommended to the House that a study be made of this whole matter. The only development since that time of which I am aware was contained in a letter which the Minister of Finance sent to the Chairman of this Committee in March of 1965, to the effect, that suggestions were under discussion in his Department concerning changes in Section 28 of the Financial Administration Act. These were being studied, and if the government should decide that an amendment was desirable it would present its proposals to Parliament in the usual way.

This has not advanced us very far, and as a consequence we are again commenting in this paragraph on the Governor General's special warrants which were used in April or May of 1963 at the time of the election. We have cited three items from those two warrants which did not seem to us to meet the test of urgency which is required for the public good.

Since then we have seen the dissolution of Parliament in September of 1965 prior to the general election of November of that year when, of course, Governor General's special warrants again had to be used to provide funds until the new Parliament assembled on January 18, 1966. We list here five special warrants which were used and which total rather more than \$920 million, and we first go on to show how the guidelines were not always followed in the preparation of the special warrants and how in our view a number of the items provided for did not meet the test of being urgently required for the public good, which is the statutory language of Section 28 of the Financial Administration Act. This particular section of the Financial Administration Act was opened up last year to provide for the replacement of the Minister of Finance by the President of the Treasury Board. We had hoped when it was opened up that we might have had the language straightened out a bit, but it remains as it was, and there it is.

I do not suggest that you take too long in going over the examples. As you can see, a number of items were said to be urgently required for the public good and therefore they had to be included, but actually some of the money was not spent until Parliament sat. Again it is my responsibility, particularly under the statutory requirements, to draw this to your attention, and that is why we set down the circumstances.