

Canadian Commercial Corporation

He goes on to say that there were certain appropriations voted during the fiscal year ended March 31, 1948, which, according to the proper practice, should have lapsed if it was not possible to spend them in that fiscal year for the goods the department desired to purchase. The Auditor General notes that sums of money approximating \$680,000 were spent on the authority of a series of orders in council passed in the month of March, 1948.

Mr. Howe: Who signed them?

Mr. Knowles: The orders in council were passed by the governor in council on the recommendation of the Minister of Trade and Commerce (Mr. Howe). Did the minister forget them?

Mr. Isnor: May I ask the hon. member a question?

Mr. Knowles: Certainly.

Mr. Isnor: Were these not payments made as progress payments in connection with contracts?

Mr. Fulton: No.

Mr. Isnor: The member for Winnipeg North Centre (Mr. Knowles) is capable of answering.

Mr. Knowles: In one case it was a contract for changing certain snowmobiles, in other cases they were contracts for the purchase of new equipment. In all cases the Auditor General makes it clear that the government realized it was an irregular practice, and it was because of that irregularity the orders in council were passed in an attempt to regularize payments in the fiscal year ending March 31, 1948. These payments were for goods or services that would not be delivered until some time in the next fiscal year.

At one o'clock the house took recess.

The house resumed at three o'clock.

Mr. Knowles: Just before the noon recess, Mr. Speaker, I had made reference to certain contracts entered into by the government at the instigation of the Canadian Commercial Corporation. I pointed out that in the case of a number of these contracts the Auditor General has given the government quite a severe reprimand. That reprimand is found in paragraph 9 of the auditor general's report appended to the Public Accounts for the year ended March 31, 1948.

As hon. members are aware, the Auditor General's criticism relates to the fact that certain money had been voted in that fiscal year, but the goods and services which the government sought to buy could not be

[Mr. Knowles.]

delivered before the end of that fiscal year. Accordingly the government recognized that it was irregular to pay for these goods and services which could not be delivered before March 31, 1948, out of that year's vote. I submit that the government recognized that irregularity in the fact that it found it necessary to pass five orders in council to authorize these payments, which came to a total of over \$600,000.

Mr. Howe: May I clear up that point at this time. An order in council is passed for every purchase of the Canadian Commercial Corporation of over \$5,000 in value.

Mr. Knowles: The minister's quarrel is not with me. His quarrel is with the Auditor General, who points out that none of these five orders in council indicated any authority on which reliance was placed in order to give directions to pay the amounts. The Auditor General does not criticize the Canadian Commercial Corporation for the hundreds of orders in council which may be passed to authorize payments of over \$5,000. That is not the reason for the Auditor General's criticism. The Auditor General criticizes these five orders in council because they authorized payment in March, 1948, before the end of the fiscal year, for goods or services not to be delivered until the next fiscal year. I have no doubt that when the Auditor General looked over these five orders in council—and I suggest to hon. members that they send for a copy of sessional paper 171D, brought down in response to a motion of the hon. member for Kamloops (Mr. Fulton), so that they can look these interesting documents over for themselves—he noted that each of the five orders in council attempted to give some basis for passing the order. The basis which is stipulated in each of the five is in these words:

That the proposed contract is in the public interest.

Mr. Speaker, those of us who have been here for a few years remember the many occasions during the war when we were denied information because it was not in the public interest. Now we have a new doctrine of executive power, namely, that when, in the view of the government, something is in the public interest they have the authority to pass an order in council giving effect to that decision whether or not there is any legislative authority for it.

I do not get excited, as do my hon. friends to the right, when the government exercises powers given to it by this parliament. In fact, time and again I have criticized the government for not fully exercising some of the powers voted to it by parliament; but I do take strong objection when the government