

Mr. Baldwin: I am charging the government with deceit.

Mr. MacEachen: You do not have the courage to do that personally.

Mr. Baldwin: I will repeat, I am charging this government with deceit in their practices in relation to this matter.

Mr. MacEachen: Why don't you have the guts to make the charge directly? You don't have the courage to do it directly.

Mr. Baldwin: I have made it directly, Mr. Speaker, and I have proven it.

Some hon. Members: Hear, hear!

Mr. Baldwin: Mr. Speaker, with regard to this question of financial responsibility, not only with regard to evidence taken before this particular section of the Miscellaneous Estimates Committee—and I will adhere to your ruling—but at a time when I had the honour to be chairman of the Public Accounts Committee, this question arose about the question of Governor General's warrants. The Auditor General made statements in 1962, 1963 and again I think in 1968 which were virtually the same as he has made in other meetings which are now not to be referred to in this House.

At that time the hon. gentleman pointed out, and he was supported by the Public Accounts Committee, that this was an exceedingly iniquitous practice. The first time that the Auditor General had occasion to refer to it, to my knowledge, was when dealing with the Governor General's warrants issued by a government which was of another party. It is not a question of a political issue; it is a question of belief as to the purity and sanctity of the manner in which the finances of this country are managed. In 1957, for example, Governor General's warrants were issued and complaints were lodged by hon. members now sitting on the other side of the House. As a result, the then minister of finance, Mr. Fleming, introduced legislation for the purpose of amending the Financial Administration Act.

I have read the proceedings of that debate. At that time, an amendment was introduced and passed by parliament and what is now section 23 of the Financial Administration Act was inserted in place of the former section 28 and became section 28. In reading the debates, it is interesting to note that the minister admitted that the purpose of the amendment was simply to put in more modern and conventional form the wording of that section of the Financial Administration Act which gave this power to a government. The wording of the then section 28 was:

Where an accident happens to any public work or building when parliament is not in session and an expenditure for the repair or renewal thereof is urgently required, or where any other matter arises when parliament is not in session in respect of which an expenditure not foreseen or provided for by parliament is urgently required for the public good,

That makes perfectly plain what, prior to 1958, was the intention and the circumstances under which Governor General's warrants could be used. No one can seriously disagree that succeeding governments have invaded that principle. It is true that the act was changed and the

Unemployment Insurance Act

wording reduced to "urgently required for the public good". Mr. Speaker, it was surely never intended to permit any government, particularly this government with its record of illegality, to be free to legislate by Governor General's warrants. But that is what they are doing, Mr. Speaker, there is no question about it.

There was a statutory limit of \$800 million. I know that my friends opposite are seeking ways and means of evading this particular limitation. They are now saying that they do not proceed under section 137 when there is a statutory limit, they simply proceed by way of an appropriation. I call to the attention of the House, Mr. Speaker, that in the order in Council they used words that made it quite plain that it was an advance. The wording in the Governor General's warrants and the wording in the Order in Council was:

such advance to be repaid in such manner and such terms and conditions as the minister of finance may prescribe.

• (1640)

How can that be deemed anything but a loan or advance to be made to the Unemployment Insurance Commission by the government. Of course, it is an advance; there cannot be any other interpretation. The contention that the government was not proceeding under section 137 but was proceeding, instead, in some airy fairy way which it cannot describe, is simply an attempt to circumvent the positive restrictions in section 137, subsection 4. There is no way at all by which the government can extricate itself from this dilemma. It obtained, by governor general's warrants, the alleged right to advance to the Unemployment Insurance Commission an additional \$454 million over and above the \$800 million set as a statutory limit. That was to be repaid on such terms and conditions as the Minister of Finance (Mr. Turner) may prescribe. Those words were included, in contemplation that the government would come back to this House and attempt to make legal what is illegal. It was an attempt to bring the government back under section 137 of the act. Mr. Speaker, section 137 reads:

(1) Where the amount standing to the credit of the Unemployment Insurance Account in the Consolidated Revenue Fund is not sufficient for the payment of benefits and costs of administration under this Act, the Minister of Finance, when requested by the Commission, may authorize the advance to the Unemployment Insurance Account from the Consolidated Revenue of an amount sufficient to meet the payments required to be made in the operation of this Act.

(2) An advance made under subsection (1) shall be credited to the Unemployment Insurance Account and be repaid in such manner and on such terms and conditions as the Minister of Finance may prescribe.

The government made a barefaced attempt to evade the provisions of section 137 by saying, "This is simply a grant; we will use the same words as are used in section 137 but come back to parliament later on, after we have won the election, shove this bill through, and make legal what was illegal so that these moneys shall be deemed to be an advance under section 137." That is what the government has attempted and that is what it is now asking this House to do. It is asking this House to legalize an illegal action, to ratify and confirm an action which was wrong and which had the effect of evading the financial responsibility and accountability of the government to