

this as an example of something we thought should not be in a warrant. Our point is that if other votes require an expenditure to meet a pay list, those votes should have a warrant; it should not be something given to Treasury Board. This is part of the system of using the estimates that are prepared but have not been acted on by Parliament as a basis for warrants rather than expenditures.

**Mr. Muir (Lisgar):** Would there be anything to stop the government from putting in vote 15 anything that was left over?

**Mr. Long:** This actually would be vote 15.

**Mr. Muir (Lisgar):** This was put into vote 15?

**Mr. Long:** Yes, this is a part of it, and they estimated they were going to have to supplement other votes. Our point is that the legislation says "payments required", so why would the warrant not be for "payment required" out of the other votes rather than going through this procedure?

**Mr. Muir (Lisgar):** Would you doubt the legality of putting that into vote 15?

**Mr. Long:** Our difficulty is in seeing how a payment is required if it does not state what the payment is. How can you say that Treasury Board requires this to do something else with when they do not disclose it? If the payment is required the information should be available.

**Mr. Muir (Lisgar):** In other words, it is not really legal to put money into something that has not actually been approved?

• 1155

**Mr. Long:** Let me put it this way. It could have been done in another way but it then would not have been in conformity with the format of the estimates. It could have been done the other way, but I come back to the statement that the legislation talks about payments, not estimates.

**The Chairman:** All right, gentlemen, No. 50.

50. *Recording of commitments.* Subsection (1) of section 30 of the Financial Administration Act provides that no contract involving the payment of any money shall be entered into or have any force or effect unless the Comptroller of the Treasury certifies that there is a sufficient unencumbered balance available out of an appropriation or out of an

item included in estimates before the House of Commons to discharge any commitments under such contract.

In the event of an accident or other emergency an exception is provided in subsection (4) of section 30 which reads:

30. (4) Where the Comptroller is satisfied that an agreement was entered into in order to defray an immediate expenditure that, through accident to public property or other emergency, was necessary to protect such property or to provide for such emergency, he may issue his certificate accordingly and thereupon the agreement is exempt from the operation of subsection (1) from the time the agreement was entered into.

Since 1957 the Government has encouraged various departments to carry out "winter works" projects in order to alleviate unemployment during each winter season. In November 1961 the Comptroller of the Treasury was unable to certify that funds were available to meet commitments under contracts proposed for "winter works" projects because there was no appropriation available at the time nor was there an item included in estimates before the House of Commons (see 1962 Report).

In order to avoid having the program held up the Treasury Board directed the Comptroller of the Treasury as follows:

To avoid any delay in the implementation of this emergency program, the Board would like you to record commitments on a provisional basis until such time as the additional provision is appropriated.

A similar situation existed in December 1965 and under date of December 22 the Treasury Board gave the same direction to the Comptroller of the Treasury.

Inasmuch as federal winter works programs have been established in each of the last nine years, such programs can hardly be considered as being required to meet an emergency so far as forward estimating is concerned. Therefore entering into "winter works" contracts under the circumstances described above is contrary to the provisions of section 30 of the Financial Administration Act.

We will finish this item and then we will go on to a discussion of our next meeting.