

any financial emergency that might face it. That is precisely the effect of Section 23(1) of the Financial Administration Act in its present form. I should like to put it on record as it now reads:

Where a payment is urgently required for the public good when Parliament is not in session and there is no other appropriation pursuant to which the payment may be made, the Governor in Council, upon the report of the President of the Treasury Board that there is no appropriation for the payment and the report of the appropriate Minister that the payment is urgently required for the public good, may by order direct the preparation of a special warrant to be signed by the Governor General authorizing the payment to be made out of the Consolidated Revenue Fund.

How anyone can argue that the terms of that section have been violated is beyond my comprehension.

It is crystal clear that the time came when the unemployment insurance account was running into a deficit position. The Unemployment Insurance Act says that benefits must be paid. That law had to be kept. I submit that if anything ever met the definition of "public good" it is that. In the name of the public good, these unemployment insurance benefits had to be paid. At the same time, there was no other appropriation on which the government could draw to put credit into that unemployment insurance account. It had used up the \$800 million the Minister of Finance could extend by way of advances. He could not advance any more money that way. There was no other appropriation on which the government could draw.

Therefore, I submit that the Minister of Manpower and Immigration at that time, the present hon. member for Verdun (Mr. Mackasey), and the President of the Treasury Board were quite within their legal rights. In fact, they were only doing their duty when they took before the Governor in Council the need to pass the appropriate Governor General's warrants so the law which required the payment of unemployment insurance benefits could be kept.

If we are going to talk about keeping the law and maintaining financial accountability, I suggest we put it on the proper basis. It would have been a case of breaking the law if the government said it had no money in the fund and could not pay these benefits. What would have happened in this country if that had taken place in the middle of the election period? I submit it would have been a lot more serious than what happened because of the backlash against unemployment insurance which was fanned and developed during the election period.

I submit that for time to be spent in this session trying to accuse the government of breaking the law is missing the point altogether. That is what Section 23 of the Financial Administration Act is for. It does not follow the wording of 100 years ago, that you can draw special money only to repair a bridge that has been hit by lightning. It is there for any emergency in which the public good has to be met and where there is not an appropriation on which the government can draw.

I may point out, although it is not completely relevant to the point I am making—yes, maybe it is—that another change was made in 1958 by the Conservative government at that time, and I give that government full credit for it. Prior to 1958 the Financial Administration Act, and before that the Consolidated Revenue Act as it used to be

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called, permitted Governor General's warrants to be used when parliament was not in session. There was no necessity for those warrants to be confirmed later by parliament. I remember, when we were going out of here for the 1958 election, I put the question to the then prime minister, the right hon. member for Prince Albert (Mr. Diefenbaker), as to what he was going to do about Governor General's warrants during that election period. He made the promise, either here in the House or out on the hustings, that if his government came back, it would amend the law to require that Governor General's warrants be confirmed by a succeeding session of parliament. I give him full marks. He kept the promise, and the law was changed.

• (1730)

So now, we have the benefit of that change. It is now in the law. It is there in later subsections of section 23 that the money obtained by a warrant must be approved by a supplementary estimate. That is what is happening in the Miscellaneous Estimates Committee right now. I am not a lawyer as is the hon. member for Peace River. I have to look at these things in a very practical, commonsense, way. But as I read the law, it seems to me that the members of the government, faced with the tremendous social problem of unemployment insurance benefits having to be paid—granted, because they had no plans, no policy to deal with unemployment—found a legal way to do it, and it is now going through the further legal process of getting parliament to approve those warrants that were passed at that time. I submit that the roasting or the shadow boxing to which they are being subjected now is nothing compared with the opprobrium that would have been heaped upon them if they had not kept the law and paid the benefits as they should.

Because I have some memory of these things around here, I also find it strange that members of the Progressive Conservative party are complaining about executive action when parliament is not in session. I happen to remember very well the events of June, 1962, just after the election of that year. As hon. members will recall, everything was rosy just before the election of June 18, 1962, but right afterward there was a dollar crisis, a crisis in trade, and so on, between this country and the United States. So the minority government of that day passed by order in council a surcharge on imports, order PC 1962-902. The effect of this was to increase import duties. This was done by executive action. How did they do it? The law of the land does not permit the members of the cabinet to raise duties on imports or to pass an order-in-council for doing something which does not have statutory basis. However, they were pretty smart in those days. They passed a double-barrelled order in council.

On the one hand, they looked into the Customs Tariff and they found that although they could not raise duties, they could transfer categories of goods from one column to another and that this could have the effect of increasing the duties charged on those goods.

An hon. Member: That is called cooking the books.

Mr. Knowles (Winnipeg North Centre): So, they transferred certain categories of goods from one column to