

Financial Administration Act

day managed to increase duties by a combination of raising them under the Customs Act higher than they wanted to and then cutting them back by using the section in the Financial Administration Act in respect of rebates. This has been done in quite a few cases. One example is the interesting Brinco case in respect of which the government, seeming to think it had to do something for that outfit down in Newfoundland, used this rebate section in the Financial Administration Act to provide relief from a tax that parliament decided was to be paid. As I read that section in the Financial Administration Act, it would not seem to confer that kind of authority at all. When it was used in 1962—I believe wrongly—the government that came in a year or so later received advice that it had better legalize the previous action by a statute, lest in the courts it be proven this was an abuse. I think that is a section in the Financial Administration Act that ought to have been dealt with in this bill.

• (4:10 p.m.)

This might seem to be a little different tack than the one I have been taking, but it is in the same field. What I am concerned about is parliamentary control over expenditures, over the government and over the executive. I do not for one moment ask that we go back to a committee of supply operation such as we had in this House of Commons in the 1870's or 1880's when the Canadian financial operation was a very small proposition. I admit that the financial operation must be set up on a business basis and that there must be an operation with people in charge; but they should not be left as czars unto themselves. There should be a responsibility to parliament. Parliament should have precise people like an Auditor General and a Comptroller General. Parliament should say the money cannot be spent until it is voted. I think unless we do that sort of thing we will be surrendering more and more parliamentary control over the expenditure of money. In my view the government must make its operations more businesslike, yes, but let us remember that it is not a private business; it is the people's business. We represent the people and the final say on these things should be ours here in parliament, on their behalf.

[*Translation*]

Mr. André Fortin (Loibinière): Mr. Speaker, I would be angry with myself for not saying a few words at this stage of the motion

[**Mr. Knowles (Winnipeg North Centre).**]

for second reading of Bill C-172, concerning the Financial Administration Act.

This bill is a first step. I hope the government is sincere in its desire to reform the financial administration. Having attentively considered every clause of this bill and attempted to foresee its consequences, Mr. Speaker, I still believe it is a first step and I still consider it definitely insufficient.

As regards the main effects of this bill, I think the hon. member for Winnipeg North Centre (Mr. Knowles), who spoke before me, has explained them well. I believe the only result of this bill is to pursue what has already been so well undertaken, namely to deprive parliament more and more of its power to control the financial administration in order to put it into the hands of deputy ministers or "deputy administrators". Thus, Mr. Speaker, the House of Commons is steadily losing its privilege and its power to control efficiently the administration of the common weal, not in its political aspect, but essentially from the standpoint of the financial administration.

Mr. Speaker, my comments are based upon seven points with which I will deal very briefly.

First, I say that the government spends the money before it is voted by parliament. I suppose several hon. members have looked into the famous Glassco Commission report, which considered the over-all problem of government reorganization. The Commission advocated a more modern, more efficient and simpler administration.

As one considers the bill, Mr. Speaker, one can see that it will not solve the problem that has faced us for so many years. Indeed, the government spends money even before it is voted by parliament. This is why I dealt with this subject at the beginning of my speech; I want to oppose it tooth and nail, because I claim that the House of Commons is the supreme institution, the people's institution in the highest sense of the word, the institution where responsible ministers must account for the administration of their department and for the various crown corporations and financial institutions for which they are answerable to parliament. Mr. Speaker, it is essential that administrative questions be referred to parliament even before the estimate are spent. This situation shows to what extent the house of commons, as far as financial administration is concerned, is compelled to play a ridiculous part, since all a member has to do is to approve the expenses made by the