

control funds which are expended by the government of Canada.

Let me buttress that statement by reference to the report of the Auditor General for the fiscal year ended March 31, 1971. The Auditor General writes in paragraph 50, at page 22:

Reference was made in paragraph 47 of our 1970 report to the inclusion in the 1969-70 Estimates of amounts which were not required to meet expenditure coming in course of payment during that year.

I pause there to emphasize the fact that the Auditor General is saying, in his current report, that this is not the first time he has brought to the attention of this House and the people of Canada a very serious allegation in respect of the government. In the 1970 report, there was paragraph 47, which I will not bother to read as it is along the same lines.

The Auditor General goes on to say in paragraph 50 of his 1971 report:

Nevertheless they were recorded as expenditure of the year under the authority of special wording in the several vote texts in the Appropriation Acts. These amounts, totalling \$172,685,000, formed part of certain balances totalling \$296,663,000 at March 31, 1970 which were available without further reference to Parliament to meet obligations coming in course of payment subsequent to that date. We pointed out that one of the most important controls exercised by Parliament over public expenditure was provided by section 20 of the Financial Administration Act which directs that:

"All estimates of expenditures submitted to Parliament shall be for the services coming in course of payment during the fiscal year."

In plain defiance of that Act of Parliament, the financial bible under which this government or any government of Canada should be operating, this government has arrogated the right to spend millions of dollars without obtaining the consent of this Parliament. The same situation prevailed in respect of the previous year.

The Auditor General has placed side by side at page 24, in the continuation of his description in paragraph 50, the sums of money which were available to this government to spend without proper appropriation or approval by this Parliament; one year it was \$291 millions and in another year \$296 million.

The Auditor General ends up with this statement:

We reiterate our view that one of the most important controls exercised by Parliament over public expenditure is its requirement that all estimates of expenditure submitted to it shall be for the services coming in course of payment during the fiscal year. This control is seriously weakened when funds are credited to special accounts to be available for spending in future years.

Then, the Auditor General goes on in the next paragraph to deal with the government contingencies program. We have had a lot of debate in the committee about this enormous special fund which, from year to year, aggregates well over \$100 million. In the supplementary estimates, and I refer to supplementary estimates (B) for the year 1971-72, under the heading of "Treasury Board", there is an item, Vote 5b, government contingencies. The government, through the medium of this particular supplementary estimate, completely altered the purposes for which the vote of \$75 million had been made available as part of the contingencies fund. I know it can be said that this Parliament did approve this item. This Parliament was bulldozed into approving it.

Alleged Loss of Control of Public Moneys

What happens and how is this approval obtained? We all know that when there are supplementary estimates they are submitted to the Miscellaneous Estimates Committee which does not have a great deal of time to consider them. There are usually several hundreds of millions of dollars, involving many departments, and there is pressure on the committee to approve these estimates in order that they may qualify for passage under our Standing Orders. Here is an important deletion involving \$75 million, and the committee has an extremely limited amount of time to debate it. There was no opportunity for the House to debate it. These are just illustrations. If I had time I could go through the Auditor General's report from back to front and give even more abundant examples than I have.

• (1210)

There is one more aspect of the government's failure to comply with the proper practices and rules of parliamentary control; that is, the method of legislating through the estimates for large sums of money to be paid out according to the whim of the government. I will give one or two examples. In Supplementary Estimates (A) for 1971-72, at page 44, there is a very large appropriation of some \$160 million. This is the device used by the government for the granting of loans to provinces, provincial agencies and municipalities under the Municipal Development and Loan Act for the purpose of assisting in the creation of employment in accordance with terms and conditions set out in agreements entered into between the Minister of Finance and the provinces.

What that means is that the Minister of Finance enters into agreements with the provinces, which are never approved by this House, and which do not constitute any realistic attempt to cope with unemployment, which everybody agrees should be done. I feel very strongly that there should be some greater measure of consultation with Parliament when an amount of \$160 million is expended merely by placing an item in the estimates rather than giving Parliament the opportunity it would have had to debate that item had it been contained in a bill. Hon. members know that there is a debate on second reading of a bill, after which it is referred to a committee. There is an opportunity to call witnesses, make proposals and move amendments. The bill then returns to the House for the report and third reading stages. Every stage is calculated to permit a diligent and effective opposition to deal with proposals of this kind and suggest alternative or additional means of coping with a problem.

Again, this procedure is not followed. The government all too often does this through the medium of an item in the estimates, in this case \$160 million, and we have a further erosion of that Parliamentary control which is essential if Parliament is to retain any significance at all in the democratic process. I know that emergencies arise, at which time governments must act swiftly and it is not always possible to come to Parliament to secure the requisite consent. However, there is a very heavy burden on any government when it takes some \$17 billion or \$18 billion of the taxpayer's money out of their pockets every fiscal year without going to Parliament. I say these are the means an alert, intelligent and vigilant government would use to bring in legislation in ample time to permit the type of debate we should have. I deplore that practice which