

Financial Administration Act

One need only explain why, in our budget process every year, the Minister of Finance must maintain strict secrecy. The reason is that transactions affecting our economic system might lead to speculation. If people knew beforehand, they could take advantage of it. That is why, at the same time as we ask the Government to allow tax remissions, we ask that before accepting them, they be considered in Parliament; I think that it would take about the same amount of time. It is a matter of passing a Bill. I think that we often have to act quickly in such cases, because of the economic effects. It is better if the public is not informed in advance.

But once the action is taken, once the tax remission is granted, Mr. Speaker, it is very important for any democratic government to report to Parliament—that is the least it can do—and give the Auditor General all the information when the books are audited; the Government must act like any good householder or corporate citizen. When the auditor arrives at the company's office, he must be provided with all supporting documents and all the reasons why a particular action was taken, why such a transaction was approved. And the same goes for the Government of Canada, Mr. Speaker. In this case, in the public interest, I agree that it should continue to be allowed to remit taxes, provided of course it is in the public interest, in accordance with Section 17, but once such action is taken, at least once a year, it should report to Parliament, which represents the people, so that Parliament can judge on behalf of Canadian taxpayers whether the Government has acted in accordance with Section 17 of the Act, under its mandate; it is on this precise point that the Canadian people can judge the Government.

So on that, Mr. Speaker, I would like to conclude my remarks and of course I hope that at the end of this debate, my colleagues can deal with this motion so that we can perhaps send the Government a message to make an amendment and find a solution between outright repeal and setting a \$20-million ceiling, so that the Government can grant tax remissions but must report them to Parliament when it does.

● (1720)

[English]

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it is always a useful exercise to have a debate about the expenditure of public funds or the non-collection of taxes which we are talking about here when we are considering Section 17 of the Financial Administration Act. Section 17 allows remission orders to be made either to say that people do not have to pay a certain tax which they would normally have to pay, or to rebate those moneys to them either conditionally or unconditionally once the taxes have been paid. As parliamentarians we always have to keep a watchful eye on the financial dealings of the Government. That is one of our prime responsibilities.

I want to say this in respect to the proposition put forward by my colleague from York East (Mr. Redway). My heart is

with the Hon. Member but my head is with the existing Section 17. It would be nice to say that Parliament should monitor every particular expenditure of Government immediately before it is made, or look at every particular remission order before it is made. But in actual fact I do not think that is possible. There are hundreds if not thousands of remission orders made annually, and if Parliament were to scrutinize every one of those in advance, we would be doing very little else. However, occasionally, and I might get back to this later in my remarks, a very political one or one involving great amounts of money can slip by. If we could isolate those particular remission orders and have a parliamentary debate on them before they took place, that would be the ideal situation. How we would do that I do not quite know.

Both the existing Financial Administration Act and the Hon. Member for York East recognize that there has to be a provision for remission orders. There has to be authority in legislation for the making of those remission orders. That authority, under the existing legislation, is Section 17(1) which states as follows: "The Governor in Council, on the recommendation of the Treasury Board, whenever he considers it in the public interest, may remit any tax, fee or penalty". If we were, as was suggested, just to get rid of Section 17, then we would have to re-examine the Financial Administration Act, or some other Act, to put back that authority. Presumably, that is recognized by my colleague from York East.

However, were we to act on his recommendations we would then require an additional stage in the process by which remission orders are granted. There would be a necessity for parliamentary consent, and I presume that that would mean the passage of a special Bill. Annually, or as the need arose, Parliament would be presented with a Bill listing these various remission orders that the Government proposed to make. That Bill would then have to go through the proceedings in this House and then over to the other place and receive Royal Assent the same as any other Bill. That could be a very time consuming process. For people on the government side of the House I can see a difficulty there in that it could take a great deal of time away from other government business which ought to be debated and which should be debated here.

There has to be provision for public and parliamentary scrutiny. It would be wrong if that provision did not exist. It exists to a certain extent in the present law. If we cared to examine Section 17(8), we would see that it states therein that a statement of each remission order of \$1,000 or more granted under this section shall be reported to the House of Commons in the Public Accounts. So each year for those remission orders in respect of the previous year presentation is made to the House of Commons by way of the Public Accounts. Of course, that goes to the parliamentary committee which can study it in detail. Thus there is provision for scrutiny.