

do not think that any citizen is prejudiced in his dealings with the government. I would say this is a desirable section to have in a general Act dealing with public moneys.

Mr. MACDONNELL: It will not have the effect of discouraging persons from taking on government contracts?

Hon. Mr. ABBOTT: I have never known of anybody refusing a government contract because they were afraid parliament would refuse to vote in the next year the moneys necessary for carrying out contracts. That is our reason for putting it in.

Mr. MACDONNELL: Is there any specific clause in a contract to cover that situation?

Hon. Mr. ABBOTT: Mr. McIntyre would know more about that than I do.

Mr. MCINTYRE: Every purchase order is a contract and there are thousands of them. In the larger contracts, in the construction contracts, there would be no objection to specific mention of this in the contract. It can be done. But in any case it is well known by those who are taking on larger government contracts that this is a constitutional requirement and that moneys have to be voted by parliament before they can be paid over on account of the contract price in the same way that the civil service know that if there is not enough money voted in the appropriations each year, they cannot get an increase in salary.

Mr. CAVERS: I think the suggestion the other day was that when a contract was drawn, the solicitor should make it a term of the contract rather than the term being made in a statute to apply to every contract.

The CHAIRMAN: That is right. That is one of the main arguments.

Hon. Mr. ABBOTT: It has been standard practice under the British parliamentary system that moneys to carry out previous contractual obligations must be voted by parliament and that the votes will lapse at the end of the year, and that, speaking as Minister of Finance, I try to estimate each year, in order to reflect accurately what our out-go is likely to be, an amount which will be required to be paid out under outstanding contracts during the fiscal period.

If I under-estimate the amount, I have to come back for a supplementary estimate at the end of the year. But I do think there is some value in the executive being obliged to come frequently and say what amounts they require to carry out current obligations. I do not think there is chance of any private citizen contracting with the government being prejudiced by a rule of that kind. It is a rule which is intended to impose some measure of control on the executive.

Mr. MACDONNELL: Does anyone object to this clause?

Hon. Mr. ABBOTT: I would not think there was any danger.

The CHAIRMAN: Yes. The idea was expressed by some of the members of the committee that somebody might in good faith enter into a contract with the government and that he might have recourse to the courts to get judgment in order to get paid; and that in the meantime the appropriation would not have been voted by parliament and there would not be the money with which he could be paid even if he had a judgment from the Exchequer Court. I am trying to find it.

Hon. Mr. ABBOTT: Mr. McIntyre informs me that it is now standard practice to include a clause or a statement setting out this condition in construction contracts. I suppose it is done more as a matter of information, or is it a contractual obligation? Yes.

The CHAIRMAN: The gentleman who was most concerned about it was Mr. Fleming. Mr. Campney also asked a question about it.