

that is necessary for Parliament to be well informed before authorizing such expenditures. This in turn has led to uncertainty concerning the nature of public expenditures that parliamentary appropriations are intended to cover.

Your Committee therefore is pleased to report that, further to its deliberations, the Treasury Board will undertake a comprehensive study of the form of the Estimates, as recommended by the Auditor General in his Financial Management and Control Study. Furthermore, your Committee has endorsed the preparation of a booklet to assist parliamentarians in understanding the process and form of the Estimates, which will be undertaken by the Treasury Board in conjunction with the Auditor General and the Research Officer of the Committee. All of these actions in our view provide the most tangible evidence of how worthwhile and productive this study has been from the standpoint of Parliament itself and its control of the public purse.

Irregularities in Departmental Transactions

Examples of waste, weak financial management and non-compliance with the Financial Administration Act were brought to the attention of the Committee under Section 61 by the Auditor General. For the fiscal year 1974-75 nearly \$1 million was spent by the Government of Canada for unused Crown-owned or leased accommodation. At the end of the same year approximately \$3.8 million was expended on a new pay system which had to be suspended because it was deemed unworkable.

Your Committee also noted other examples of irregularities such as weak financial controls in advertising expenditures and a failure to adhere to the accountable advances regulations in the Defence Program; inadequate accounting and financial control practices in the Indian Program; and the failure to accrue interest on loans from Canada by a Crown corporation.

Your Committee has been assured by the Treasury Board Secretariat and by the departments and agencies concerned that where necessary, measures are being taken to ensure that the financial procedures are being strengthened in these areas. The Auditor General will also monitor these areas.

Your Committee, however, was most concerned with the action taken by the National Energy Board during the 1974-75 fiscal year. The funds appropriated for its operations by Vote 50 had been exhausted before the fiscal year end, and instead of attempting to obtain additional funds through supplementary estimates, the National Energy Board arranged to have \$90,000 of its operating costs charged to the operations of the Energy Supplies Allocation Board. Furthermore, no subsequent attempt was made by the officials of either Board to correct this arrangement.

Having received evidence from all parties concerned, your Committee has concluded that the action taken by the National Energy Board clearly contravened Section 19 and subsections (1) and (3)(a) of Section 26 of the Financial Administration Act and was illegal. Your Committee strongly disapproves of the arrangement of funds made by this Board and recommends that disciplinary action be taken immediately by the Minister.

Your Committee strongly disapproves of any action, by any agency of government, which has the effect of circumventing the financial controls established by Parliament; and further recommends that the Treasury Board takes the necessary action to ensure that the authority of Parliament is recognized.

Your Committee wishes to express its appreciation for the efforts and co-operation of the accounting profession in Canada.

A copy of the relevant Minutes of Proceedings and Evidence (*Issues Nos. 45 to 69 inclusive, First Session, Thirtieth Parliament*) is tabled.

(The Minutes of Proceedings and Evidence accompanying the Report recorded as Appendix No. 193 to the Journals).

Mr. Baldwin for Mr. McCleave, from the Standing Joint Committee on Regulations and other Statutory Instruments, presented the Ninth Report of the Committee, which was read as follows:

In relation to its permanent reference, section 26, The Statutory Instruments Act, 1970-71-72, c. 38, your Committee proposes to continue its review and scrutiny of statutory instruments during the adjournment of Parliament in the summer of 1976.

Your Committee therefore recommends that for this purpose, and notwithstanding an Order of the Senate of Tuesday, October 29, 1974 and an Order of the House of Commons of Thursday, October 31, 1974 respecting the quorum of the Committee, the Joint Chairmen be authorized to hold meetings during the forthcoming summer recess to receive and authorize the printing of evidence when three members of the Committee are present, provided both Houses are represented.

A copy of the relevant Minutes of Proceedings and Evidence (*Issue No. 81*) is tabled.

(The Minutes of Proceedings and Evidence accompanying the Report recorded as Appendix No. 194 to the Journals).

Mr. Sharp for Mr. Macdonald (Rosedale), seconded by Mr. Drury, by leave of the House, introduced Bill C-97, An Act to amend the statute law relating to income tax, (No. 3), which was read the first time and ordered to be printed and ordered for a second reading at the next sitting of the House.

The text of the Message and Recommendation of the Governor General pursuant to Standing Order 62(2) in relation to the foregoing Bill is as follows:

His Excellency the Governor General recommends to the House of Commons the appropriation of public revenue under the circumstances, in the manner and for the purposes set out in a measure entitled "An Act to amend the statute law relating to income tax, (No. 3)".

By unanimous consent, on motion of Mr. Baldwin, seconded by Mr. Blais, the Ninth Report of the Standing