

*Financial Administration Act*

independent and legislation ought to be introduced specifically to ensure the freedom of action of the Auditor General. Provision should also be made for him to have the necessary means to inform parliament and the country. He ought to have adequate staff and facilities to enable him to report to the House of Commons about the financial affairs of the country.

It is inherently wrong for Treasury Board to control the administrative funds and staff of an officer who has the responsibility of reporting to parliament on the government's financial actions and wrong for Treasury Board to have power to veto suggestions the Auditor General considers necessary for the adequate carrying out of his duties. I do not suggest the Auditor General should have a blank cheque; but I think we ought to establish machinery under which the Auditor General can ask the house directly for funds he considers necessary for the adequate carrying out of his office. That machinery should become part of our routine.

This house ought to vote directly on the Auditor General's requests with regard to the establishment of staff. The consequences of having Treasury Board control the administrative expenditures of the Auditor General are becoming increasingly serious. That officer is supposed to audit and check government expenditures and I cannot emphasize too strongly how important it is to have present inadequacies in this regard corrected. I will not feel secure, and I do not think many other hon. members will, until adequate arrangements have been made for the Auditor General to secure the staff and facilities he needs so that he may report to parliament on the financial condition of the country.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, may I begin my remarks by using a word that gave the President of the Treasury Board (Mr. Drury) prominence in the newspapers. I do so by saying that in this bill we may be dealing with one of the ineluctable facts of life. Nevertheless, I do not think we should accept everything as ineluctable.

I agree with the Leader of the Opposition (Mr. Stanfield) that we are in danger of losing almost complete parliamentary control over government expenditures. I recognize that conditions over the years have changed very much. Government operations have become so massive and extensive that administrative methods satisfactory a generation or a century ago will not fill the bill today. Accord-

[Mr. Stanfield.]

ingly, it is desirable to have the whole problem examined in the way the Glassco commission did in order to see what improvements can be made to the government's financial operations.

I have the impression, Mr. Speaker, that we are now setting up the government as a kind of crown corporation, a kind of colossus that is out there by itself, running itself, and parliamentary control over it is little more than a fiction.

May I be specific about one or two aspects of this bill which I think have that effect. There is a clause in the bill which, I admit, carries forward a section that was in the old Financial Administration Act; but it carries it forward and underlines it in a way that I do not believe is necessary. I refer to the clause which makes it possible for money relating to an item in the estimates to be spent by the government even though that item has not yet been passed by parliament. I draw to the attention of the President of the Treasury Board (Mr. Drury) the fact that some rather extensive changes were made in the rules of this house during the course of this session. One of these changes requires that the main estimates shall be voted on and decided by the House of Commons by June 30 of each year. Under the former rules, the estimates did not get passed until the fall and sometimes not until December, January or February. Under those conditions, one could understand the need for certain administrative latitude but these new rules changed all that.

• (4:00 p.m.)

I speak as one who had the privilege of being a member of the committee on procedure and I can say that one of the motivations in making this change was to have more parliamentary control over government expenditures. We agreed to the abolition of Committee of Supply because we felt the discussion of supply estimates on the floor of the house was really just debate on various subjects and not on examination of the estimates. We agreed it would be better to have a minute examination in committee. With great emphasis, our eyes wide open and with determination, the provision was made that parliament ought to make its decision on the estimates by the end of June of each year. Our reason was clear. We wanted to get away from the practice which has been in effect for so long of spending money before it was provided by parliament.