

*Unemployment Insurance Act*

House looking at the situation with any reasonable mind at all.

Hon. members opposite have pointed, however, to Section 137(4) of the act to suggest that this changes the situation. I think it is clear that this is a complete misreading of the situation and the basic purpose and intent of warrants. Certainly, Section 137(4) would not have been less strong if it had constituted an appropriation or statutory allocation of \$800 million or some other similar fund to the commission. The fact that an advance technique was used a technique that allowed advances up to a certain limit, meant only the use of a method of allowing money to be transferred to the fund up to that point.

The point is that the Financial Administration Act is used time after time where the amount of money available has been limited. In fact, its only point of use is when money which may be available for a purpose or a variety of purposes is limited, and when there is not enough money to provide for special circumstances which have arisen. So a limit is practically always to be found associated with the use of warrants where money additional to that which has been limited or appropriated by parliament is, in fact made available.

In this particular case Section 137(4) allowed the Minister of Finance (Mr. Turner) to make advances up to that limit. I was clear that when advances had been made up to that limit there was no further power in that section to accomplish a transferring of money to the Unemployment Insurance Commission. At that point when the Unemployment Insurance Commission needed money, it had to obtain it from some other source. That is where the warrant came in, and the use of them within the terms of Section 23, to provide that money.

The money which was provided under warrants was not provided under the authority of Section 137 and that is completely clear. This, then is the simple proposition, and, indeed, I do not think hon. members opposite thought otherwise or even began to say anything to the contrary until about the time Bill C-124 was being presented to the House and the recommendation appeared on the order paper. That recommendation lead them to think—

**An hon. Member:** We were saying it in the committee.

**Mr. Lang:**—some things, and though they really understood rather more clearly when Bill C-124 came before the House,—

**Mr. Lambert (Edmonton West):** It was said a lot earlier than that.

**Mr. Alexander:** Mr. Speaker, perhaps the minister would allow me one question to set the House straight. I am a little confused now about his interpretation of the law. As I read Section 137(4) the words state "shall not". I was wondering whether he had another interpretation of those two words. I am sorry to interrupt at this time, Mr. Speaker.

**Mr. Lang:** Yes, Mr. Speaker, I am glad to repeat what I said for the hon. member's benefit. The essential point of those words is that the advances empowered under section 137 are by subsection (4) limited to the \$800 million. I

[Mr. Lang.]

would refer the hon. member to the words in this section. Section 137(4) reads:

• (1550)

The total amount outstanding at any time in advances made under this section shall not exceed eight hundred million dollars.

As I indicated to the hon. member whether there has been an appropriation of \$800 million straightforwardly into the fund, or advances to be repaid, the authority of that section was exhausted when \$800 million was paid into the fund.

Hon. members opposite would not be objecting to the use of warrants if it had been an outright appropriation, but when they found it was an advance up to a certain limit they suggested that this made it less possible to use warrants. I suggest that the only way that section could be read in that fashion would be if it explicitly said it was overriding section 23 of the Financial Administration Act, and so that even if money were required for the public good that section could not be used. That is the only way in which that section could be read to limit the power under warrants of giving further moneys or payments to the Unemployment Insurance Commission for its purposes. As the hon. member for Winnipeg North Centre (Mr. Knowles) said yesterday, the money was urgently required to meet legal obligations which the commission had to meet, and the payments to it were made under section 23.

Hon. members opposite have said that we should hire a good lawyer. I suggest to them that it would be very difficult indeed for them to find a reasonable, non-partisan lawyer who would take their view or would stand with them for one moment after he read those sections and after he saw the report.

**Mr. Nielsen:** Would the minister accept a question?

**Mr. Lang:** I would like to conclude my remarks before I deal with questions. In the time I have available to me I would like to deal briefly with clause 2 of the bill. It was clause 2 of the bill which, as I said, intrigued hon. members opposite and may well have innocently led them astray, particularly when they read the recommendation without having read the clause itself. And having taken a position they are not likely to move from it upon reading the clause. That would not be in keeping with their practice in this place.

Clause 2 is technical in its nature, and there may be a certain amount of extra caution provided in connection with the manner of raising and the using of money provided under the warrants which are being included in the supplementary estimates. There are a couple of sections in the Unemployment Insurance Act which make it desirable to make clear that the money which was put into the hands of the commission for the purpose of paying its obligations, in that period when parliament could not appropriate money to it, are charged then to the account as an advance.

With respect to advances under section 137; it was appropriate, it seemed to us, that the moneys put forward in this way should be treated as advances, in the sense of being made accountable out of the fund subsequently, and not treated as a special or extraordinary appropria-