

Financial Administration

occasioned in the carrying out of their duties; the placing of insurance on public property; financial liability to the crown, and some others. Insurance, for example, is not normally placed on public property, because the government of Canada is such an enormous holder of property that it can carry its own risk. In special cases however insurance is necessary.

These are routine matters in which the actual authority does rest with the governor in council but which, in practice, over the years, the governor in council has always delegated to treasury board. All we are doing is to make a provision in the financial administration bill which would make that statutory.

Mr. Harkness: I agree with everything the parliamentary assistant has said. But my question was as to whether any consideration had been given to phrasing this in some way which would not give what might be described as unlimited powers to treasury board.

Mr. Sinclair: They are certainly not unlimited powers, because these are all powers which are now held under statute by the governor in council. It is a matter of turning back to treasury board by the governor in council certain matters for final action. The difficulty in spelling it out is that this is a sort of basket section. One cannot foretell very clearly what these small matters, which come outside the regular run of affairs, may be. Under this measure they would be dealt with by treasury board, as they have been in the past.

Mr. Harkness: My own objection is that it is the kind of legislation which is capable of abuse. I am not saying that it will be or that it has been abused; but it puts treasury board in a position where it decides as to whether something is necessary for the efficient administration of the public service. They are the people who would decide it. They must make the decision as to whether they will make regulations—and, for all practical purposes, I would understand that these regulations are laws. Everyone must obey them, or they are subject to penalty.

It seems to me it could be possible to provide all powers required by treasury board without giving them what has been described by the parliamentary assistant as a basket authority—and, I would say, a bottomless basket.

Mr. Sinclair: I am afraid I have not made myself clear. The governor in council has these powers now. These are powers other than those spelled out in the statutes. For

instance, they would include compensation to an employee travelling down from the Northwest Territories to fill a post in some other part of Canada and who, in the process of travelling, has lost his household effects which are moved by the government from the north country. Under the statute the governor in council has the right, first of all, to say whether a refund should be made, and then to say to what extent it shall be made. In practice the governor in council has always referred a matter of that kind to treasury board. True, treasury board would study it and place a minute, along with a great many other minutes, before the governor in council. But those would go through in routine fashion.

All that is being done now is to say that in those matters where the governor in council decides it should be handled by the subcommittee, it can be so handled.

Section agreed to.

Section 8 agreed to.

On section 9—*Management*.

Mr. Adamson: Mr. Chairman, I wish to make some observations, and also a suggestion. I believe what I have to say might properly be said under this section which states, in part, that the minister shall have control and direction of all matters relating to the financial affairs of Canada not by law assigned to any other minister. I believe I have quoted the pertinent part.

When the Minister of Finance spoke in the house the other day he mentioned—and I think accurately—the difficulty of estimating revenues as compared with the comparative ease in estimating expenditures. Therefore it seems to me that measures which would do away with double taxation are not only helpful to the taxpayer but are also beneficial to those authorities charged with the work of drawing up the budget. No other country in the world suffers from double taxation as much as we do in Canada. The Minister of Finance has admitted this, and has mentioned it as one of the problems of the whole financial structure of the country.

He has attempted in a small way to overcome these abuses of double taxation by making certain very small allowances on dividends paid by corporations. I would mention again that in the United Kingdom the corporation pays its income tax, and then the resultant dividend is sent to the shareholder as a tax-paid payment. In Canada, on both levels, the corporation and the individual pay income tax.

That is one matter which I suggest should be considered carefully by the government,