

*Financial Administration*

have been eight others which were marked "statutory" and which had never been dealt with by proper statutes but were simply being paid on the basis of continuing vote that was made in one particular fiscal year. The rest of the paragraph reads as follows:

Among the "to be voted" items in the same estimates were twenty-seven authorizing payments notwithstanding provisions of various public acts.

I come now to the last paragraph of this section to which the Auditor General drew my attention. Paragraph 42 reads:

The practice of legislating by appropriation acts has attractions when dealing with special cases or making temporary exceptions from general legislation; but the thought presents itself that it might be a safeguard and a convenience to members were such items listed together in a special schedule and the reasons therefor printed with each item—as is the practice with respect to bills.

I submit that a careful study of these comments made by the Auditor General in his 1947-48 report, a careful study of his letter to me, practically all of which I have now placed on the record, and a careful study of the whole case I have been making will make it clear that, in addition to the necessity of our having a good bill, which is to be called the Financial Administration Act, it is also important for the government to be most meticulous and careful in the way it words its estimates and in the interpretation that it places upon the estimates after they have been dealt with. As I said before, I pay tribute to the government for the way in which they have from time to time tried to clean up a number of these matters by way of implementing suggestions of the Auditor General. I would be the first to admit they could not do it all at once. I am glad to note the progress that has been made. But I suggest that here is one more case where the Auditor General has suggested something that is very important and is particularly germane to the whole question of maintaining parliamentary control over public expenditure, and I hope that something will be done about it at an early date.

**Mr. George A. Drew (Leader of the Opposition):** I wish to take a short time to deal with certain aspects of this measure. I appreciate that all sections of the bill will be brought before the public accounts committee. The importance of this legislation is demonstrated by the terms of the definition of the bill itself. It is described as an act to provide for the financial administration of the government of Canada, the audit of the public accounts and the financial control of crown corporations. It is in fact the protection offered to the public that in the handling of moneys taken from the public by taxes

there will be appropriate safeguards and that businesslike methods will be employed in the handling of these funds. As was pointed out at the time the resolution preceding the bill was introduced, this is undoubtedly one of the most important pieces of legislation that can come before parliament. If there are not the safeguards which should exist, then they should be introduced as a result of the examination and discussion which takes place.

If there are any ways in which the public business can be improved through this bill then that should be done. It is for that reason that I wish to refer to something that has already been mentioned in the discussion this afternoon but which I should like to emphasize from another point of view. It is quite clear that, no matter how carefully the estimates may be prepared, certain events are always bound to happen which will produce a different result at the end of the year from that which was anticipated. There may be international disturbances. There may be internal events such as vagaries of the weather or other circumstances of that kind which would affect the total amount of revenue and also the total amount of expenditure. Nevertheless, subject to such reasonable explanations as may be made, the estimated surplus or the estimated deficit, as the case may be, should bear some reasonable relationship to the estimates which the minister himself has received from his departmental officials, and they should be a correct interpretation to parliament of what the minister himself expects the net result will be, subject to these unexpected events.

It is not open to the minister to put before parliament one estimate of expected surplus and have in his mind some other. If it could be demonstrated that the minister had in fact placed before parliament an estimate which was not the estimate he had in his own mind, then he would of course be guilty of a very grave abuse of his position as a minister of the crown. For that reason surpluses that go far beyond the estimates placed before the house demand some kind of explanation which has not yet been furnished to the house in this current year. When the committee is dealing with this measure I think it might well consider the introduction of some provisions which will clearly state the responsibility of the minister to present to the house a figure which does in fact interpret his own expectations upon the best possible analysis of the figures which have been placed before him.

It has been pointed out that the present surplus is far beyond anything indicated to this house. In fact if the surplus for the present year continues to accumulate at the