

In view of the provisions of the Public Service Employment Act and some of the procedures in existence, it is not a quick process.

A \$1 million appropriation was deliberately exceeded by \$400,000. The official responsible for this is at the same pay level, but he has had his signing authorities removed and he has been given a special task. And the minister tells this House that disciplinary action has been taken! I say this is not good enough and that we will not stop this all too common practice of exceeding budgets and appropriations until proper corrective measures are taken.

This department of government is out of control. If you doubt what I say, Mr. Speaker, all you have to do is to read the 1976 and 1977 Auditor General's report at paragraph 18.7. There is little point in having laws if they mean nothing and are not enforced. This only lessens respect for the rule of law not only outside but within government.

I suggest that there is foot dragging on this matter and the minister was not correct when he said in the House that disciplinary action had been taken. The action taken has been surprisingly slow. The knowledge of the case is shallow. Important questions are still to be answered. When one considers that \$400,000 is the amount of the infraction, and that the actual value of the inventory against the book value is in question, coupled with the serious charges contained by the Auditor General in his 1974 report, I suggest that the minister take a personal interest in this runaway aspect of his department.

● (2212)

Mr. Ross Milne (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, in reply to the hon. member, I want to say that all hon. members should not lose their sense of perspective about this unfortunate circumstance.

Let me make it clear that no one has stolen money, no one has got away with public funds. The \$400,000 by which the revolving fund's authorization was exceeded represented services rendered, and arts and crafts inventory on the shelves. Nevertheless, it is perfectly true the authority granted by parliament was exceeded, which is the important point. That is unmistakable and, as the Standing Committee on Public Accounts was told, this should not have happened. Steps have been taken to guard against a similar problem arising. In view of these facts, I think members deserve an explanation of how such a thing could occur. Therefore, let me trace the sequence of events.

When parliament authorized the revolving fund in 1972 to assist in the marketing of Indian arts and crafts, it attached certain conditions to the operations of the fund. Parliament said that all revenues and expenditures must be charged to the fund. That was a sound decision. If it had been properly followed, we would not be discussing this unfortunate error today.

Some time after the fund was established, the Treasury Board approved a submission permitting certain charges to be made, not against the revolving fund, but against the depart-

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ment's operating appropriation vote 5. It is at that point the authority of parliament was exceeded, because basing themselves on Treasury Board operation, the department charged certain management fees and certain advances made to the fund's managers to vote 5. This should not have happened.

When this situation was discovered earlier this year, the present management of the department immediately recognized that it was a violation of the limitations placed upon the authority granted by parliament. Steps were taken to prevent a recurrence. The charge against vote 5 was reversed, and the \$400,000 was shown as an expenditure under the revolving fund beyond the fund's authority.

The hon. member essentially centred his question around what has been done in terms of the individual's responsibility. I should like to refer to page 2:29 of the Minutes of Proceedings and Evidence of the Standing Committee on Public Accounts of Thursday, November 10, 1977, when the Assistant Deputy Minister is reported as saying the following:

All signing authorities, all supervisory responsibilities have been removed from this financial officer and he has been relegated to a specific task which removes him from this area of responsibility.

Also I should like to refer to page 2:26 which reads as follows:

It is a serious matter, I agree. I have said that the individual is up for incompetence. I have requested personnel to document the case, to face the individual and to go through the machinery.

That is in keeping with the minister's answer where he indicated that the hon. member knows disciplinary action has been taken, and he was told that in committee.

I emphasize that funds were not spent to the benefit of any individual. They were not pocketed by anyone. The services were appropriate services, and they were rendered to the fund. The arts and crafts were purchased, and they remain as saleable inventory of the marketing service.

FEDERAL-PROVINCIAL RELATIONS—MEETING OF RESOURCE MINISTERS—DISCUSSION OF OWNERSHIP AND TAXATION OF RESOURCES

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise this evening to address a question to the parliamentary secretary in the absence of the Deputy Prime Minister (Mr. MacEachen) of whom I made an inquiry on November 24 with respect to the position of the federal government relating to a very important decision the Supreme Court of Canada handed down regarding the CIGOL case. At that time I attempted to obtain some information from the government as to its intentions relating to a clarification of the rights of provinces with respect to the ownership of mineral resources.

● (2217)

What we have, so far as the CIGOL case is concerned, is a very momentous decision which is the result of a case which has been carried on both within the province of Saskatchewan and between the province of Saskatchewan and the federal government. The decision has left the people of Saskatchewan in a state of concern. They do not know at this time whether or