

HOUSE OF COMMONS

Friday, January 12, 1973

The House met at 11 a.m.

SUPPLEMENTARY ESTIMATES (A), 1972-73

PROPRIETY OF INCLUSION OF ITEM L30a IN REFERENCE TO COMMITTEE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I sent to Your Honour today notice of my intention to raise what I consider to be an extremely important matter, a question not only of a grievance as a right of privilege but also involving the inherent jurisdiction of the House.

On Monday, January 8, the President of the Treasury Board (Mr. Drury) introduced Supplementary Estimates(A) for the fiscal year ending March 31, 1973. These estimates included an item of \$454 million for the Department of Manpower and Immigration, headed vote L30a. This amount represented two special Governor General's warrants of \$234 million and \$220 million respectively which have been issued for the purpose of attempting to appropriate money during the period between the end of the last parliament and the calling of this parliament. The President of the Treasury Board subsequently moved that the supplementary estimates be referred to the Standing Committee on Miscellaneous Estimates.

At that time, Mr. Speaker, I raised a question about the legality of this particular appropriation, although I admit I was not as specific then as I can be now because I had not seen the supplementary estimates and so was not able to pursue the subject any further.

Mr. Speaker, on the order paper for today there appears in the name of the Minister of Manpower and Immigration (Mr. Andras) a bill entitled "An Act to Amend the Unemployment Insurance Act, 1971 (No. 1)", accompanied by a recommendation which gives an indication of what will be contained in the legislation. That recommendation provides, *inter alia*,

that the amount authorized under Manpower and Immigration Vote L30a of Supplementary Estimates (A) 1972-73—

That is the one I referred to, Mr. Speaker, —shall be deemed an advance under that section and not an appropriation described in paragraph 133(b) of that act.

In addition, the recommendation goes on to suggest that the measure will call for the removal of the \$800 million ceiling in advances under section 137. It would therefore appear, Mr. Speaker, that I was correct in the suspicion I formed at that time and which prompted me to file the verbal caveat.

The recommendation is an indication of what will be in the legislation. I am not going to bother to read section 137 of the Unemployment Insurance Act which provides a statutory limitation of \$800 million on moneys which may be lent by the Minister of Finance (Mr. Turner) pursuant

to a certain procedure for the purpose of implementing the provisions of the act.

It would now appear from this legislative proposal standing in the name of the Minister of Manpower and Immigration that the legislative ceiling has been exceeded. It appears almost certain—that is the best way I can put it until there has been a chance for examination—that this was done by means of a Governor General's warrant and not by legislation. What is now being proposed is an attempt apparently to legalize by legislation what was illegal and improper. I suggest, therefore, that there was no right on the part of the government to have so appropriated moneys, that this could only have been done by an amendment to the act.

When one reads the statute it appears to be possible that the appropriation and the Governor General's warrant might—and I use the word "might" advisedly—have been made under section 133. But it could never be made legally under section 137. That is where the grave issue lies. This is not simply a technical issue, Mr. Speaker. The money has been spent, the money is gone, but that is not the point. The question is this: if the money was appropriated or purported to be appropriated and spent under section 133 of the Unemployment Insurance Act it is an outright grant and the burden falls upon the taxpayers of Canada. If, on the other hand, it is a loan made under section 137, the burden is assumed by the contributors, the employers and employees and will be reflected by an increase in their contributions. That is the very important issue of substance.

I recognize that I cannot make a legal argument and ask Your Honour to make a finding on it. This may have to be a judicial finding or it may be a finding the House may have to make later if the motion I intend to move is accepted.

I suggest, however, that under those conditions it was highly improper for this item in the supplementary estimates to be sent to the committee. The proper procedure was for the government to have admitted its fault, to have admitted its irregularity, to have admitted its misappropriation, and have come here with a full statement and proceeded to secure or at least ask the House for legislation. If the legislation were passed and the illegality cured, then and then only should this item be sent to the Miscellaneous Estimates Committee to be considered.

• (1110)

The chairman of the standing committee admitted yesterday—he let it slip out—that there is a firm date, February 8, when the minister intends to bring the budget down. It is essential that this matter be settled. If it is an outright grant, it must be taken into consideration in the casting of the national accounts. There is an obvious difference between a grant and loan. That is the situation. I was not