

Financial Administration

necessity of maintaining parliamentary control over the public purse. Mr. Sellar continues:

For that reason, I entertain the view that much may be said in favour of annual appropriation acts segregating such votes and including a section providing for the expiration of the act on the 30th April.

One must realize that the Auditor General was writing to a private member of the House of Commons which means that he would be guarded and careful in what he said. That makes what he said most significant. In our correspondence the Auditor General and I were discussing the way in which this \$2,000 item appears in the estimates. He says that his official interest is that of preserving parliamentary control over the public purse and for that reason he entertains the view that much may be said in favour of annual appropriation acts segregating such votes and including a section providing for the expiration of the act at the end of the fiscal year. If that were done it would mean that this whole business of a continuing item, of legislating for all time by including an item in the estimates of one year, would be done away with. We were discussing the principle of the \$2,000. I contend that it was wrong in the first place to arrange for that payment for all time by having an item in the estimates of one year and then thereafter trying to tell us that that is statutory and therefore we cannot discuss it.

The Auditor General dealt with it, not only in his letter to me in the way in which I have quoted, but in his report for 1947-48, a copy of which he sent to me with his letter. In fact paragraphs 39 to 42 of that report constitute a subsection under the heading "legislating by appropriation acts". Paragraph 39 reads:

Since this office was established seventy years ago attention has, from time to time, been drawn to problems associated with legislating by means of token items in annual appropriation acts. For example, the procedure by-passes normal parliamentary safeguards against hasty decision with respect to public expenditure.

That is the whole point I am making.

Further, the practice tends to disturb constitutional usages with respect to money bills—both within the House of Commons and in relationships between the Senate and the house. An ancillary characteristic is that the practice presents difficulties to searchers for the authority for payments.

Even the Prime Minister (Mr. St. Laurent) had difficulty in finding the authority for the \$2,000 when bills were brought in two years ago setting up certain new departments. He was advised, but he did not know offhand where that authority was to be found.

Paragraph 40 is under the same heading but it deals with another subject; it relates to

vote 586 in the estimates of that year which had to do with government annuities. The Auditor General pointed out that the effect of vote 586 seemed to be legislative in character rather than the appropriation of one dollar, which happened to be the amount of the item.

Paragraph 41 reads:

Moneys granted by an appropriation act lapse at the year-end—

I have quoted the section in the Consolidated Revenue and Audit Act and I have referred to the section in the bill now before us which makes that provision.

—but the act itself does not expire.

That is the anomaly which underlies the whole problem; the money expires but the act, once having been passed by parliament, is on the statute books for all time.

Consequently, when an item is so worded as to make future expenditures a charge to unappropriated moneys in the consolidated revenue fund,—

That is apparently the way that item 352 in 1931 was worded; it was an item appropriating \$42,000 for that year but it was so worded as to make future expenditures a charge to unappropriated moneys in the consolidated revenue fund.

—authority exists to make payments in subsequent years without further grant by parliament.

That may be legal, but I suggest that it is wrong in principle. It violates the precept that there should be parliamentary control over the expenditure of money. Mr. Sellar is really spelling this out most carefully despite the reserve and the guarded language of an Auditor General when he says that the procedure by-passes normal parliamentary safeguards, and when he says in his letter to me that his interest is that of preserving parliamentary control of the public purse. He goes on to say in paragraph 41:

An illustration is the motorcar allowances to ministers, the Speakers and the leader of the official opposition.

In other words, this is not just something the member for Winnipeg North Centre is bringing up; it is there in black and white in the 1947-48 report of the Auditor General.

These payments became statutory charges by the text of vote 352 of Appropriation Act No. 5, c. 61, statutes 1931. The 1947-48 main estimates included thirty items marked "(S)" because of texts in previous appropriation acts—

That is the notation which appears on the left-hand column of the estimate indicating that the item is statutory and we cannot discuss it.

—22 having an association with vote 352 of 1931.

That means that in that year's estimates there were twenty-two of these items related to that motorcar allowance but there must