

● (1530)

I could quite easily spend an entire day talking about the ways in which Crown corporations are used to abuse parliament, but I want to bring to the attention of the House just one of the more recent examples. When spending estimates were tabled last spring by the then president of the Treasury Board, the current President of the Board of Economic Development Ministers (Mr. Andras), he assured the House and the Canadian public that spending would be restricted to \$48,800 million, not a cent more. Later in the year when the Liberals anticipated an election and wanted to look fiscally responsible, they reduced that figure by another \$500 million.

That target proved impossible, so what did they do? They directed CMHC to sell over \$400 million worth of mortgages from their portfolio. This CMHC did at a loss of millions of dollars to Canadians, a loss which does not show up anywhere in the bills, a loss which is not admitted. It is impossible for the House to determine what loss was involved in that sale.

Then the government had the colossal gall to list in Supplementary Estimates (A) receipts from this sale of \$365 million as a negative expenditure. They sold the assets and listed the receipts of these assets as a negative expenditure. Can you believe that, Mr. Speaker? If that is not flimflam, if that is not book cooking, what is it? The fact of the matter is that by that little procedure they disguised spending by \$700 million and they were then able to stand up and say: "We have achieved the target we set." I say, hogwash. They achieved no such target, they cooked the books.

Mrs. Pigott: That is right.

Mr. Andre: That is not the only way they cooked the books. It is interesting to note what they have done with the amendments to the family allowances program which resulted in the claim of a \$690 million reduction in expenditures. Do you know how that happened, Mr. Speaker? They listed the tax credit as a negative revenue. They said they spent \$690 million when in fact their cash requirements went up. The new program is costing them more money than did the old program, but they are claiming a reduction of \$690 million in expenditures. If that is not flimflam, what is it? That kind of book-cooking, that kind of manipulation, in the private sector would result in the financial officers of any company going to jail because of their distortion of the true financial picture by some \$730 million. Yet here we have the government doing it all the time.

If you wonder why we have so many Crown corporations, Mr. Speaker, you need look no further than that example for the reason. Crown corporations give the government enormous flexibility to create the kind of impression they want to create. If they want to disguise government spending, they push it off on to Crown corporations. If a public issue or problem breaks out and they cannot come up with a solution, they create a Crown corporation, give it a fancy title and offer this to the public as an example of how responsive they are. If the Crown corporation does something which is perceived to be positive, the minister is up front taking the credit; but if the Crown

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corporation fouls things up, the minister claims ignorance and denies any responsibility.

The classic example of that is AECL. When AECL sold a reactor to Argentina, the then minister of energy, mines and resources, Donald Macdonald, was saying that this is an example of how wonderful Crown corporations can be in the energy sector. When it turned out that we were going to lose tens of millions of dollars on the deal and we had to pay a bribe to get the contract, you could not find a minister who would admit to having heard of Atomic Energy of Canada Limited.

The fact that members of parliament not only do not have an opportunity to approve Crown corporations' spending programs but are not even given any information about these programs is precisely the thing about Crown corporations that this Prime Minister likes. That explains why, during the period 1970 to 1975, three-quarters of the current 400 Crown corporations were created—300 Crown corporations in a five-year period. So what, you might ask; if they are doing a good job, why not let them? The fact is that they are not doing a good job, as the Auditor General pointed out. In his 1976 report he stated:

In the majority of Crown corporations audited by the Auditor General, financial management and control is weak and ineffective.

This is a terribly damning statement. What did the government do? The Privy Council did a study in which they recommended some changes to the Financial Administration Act and said a bill would be placed before parliament in the fall of 1977. A month ago I asked the President of the Privy Council (Mr. MacEachen) whether he intended to live up to that promise and introduce the bill. His answer was precise and succinct: he said no, he had no intention of doing it.

The fact that the Auditor General points out that Crown corporations are mismanaged, the fact that there are over 200,000 people employed by these Crown corporations, representing basically a second civil service beyond the control of parliament and probably beyond the control of the government, the fact that these Crown corporations control assets of over \$30 billion, and the fact that more and more of the public are demanding that this government do a better job of managing its resources, had not affected this government one whit.

Crown corporations are too convenient a tool to hide and disguise government activities, and even if they are wasting millions of taxpayers' dollars, the government does not intend to do anything about it. Deception has been so much the way of action of this government that it cannot seem to comprehend that openness, honesty and full accountability to parliament is the only way that proper management of the taxpayers' resources will occur.

I could go on and on with various examples of mismanagement. You will recall, Mr. Speaker, that last fall the government announced \$500 million worth of cuts. We have taken another look at that list. They have backtracked and flip-flopped on 15 items representing \$165 million. So they have flip-flopped on \$165 million worth of so-called cuts last year.