

might find in the private sector where there is a bottom line at which to look. That is not the case, as we all know, in government.

So I can say to the President of the Treasury Board that I am terribly concerned about the management of government funds. In fact, I think I can say that that is one of the principal reasons I got into politics. I think that is true of many people of the young generation of politicians coming on stream, if I may use that term, at the municipal level, the provincial level and federal level.

Waste of public funds has been reflected in our whole fiscal apparatus. I have been told that we have seen an increase, for example, in tax evasion in this country. I believe that is partly because the public perceives that its funds are being squandered, mismanaged by bureaucrats, that there is fat in government and so forth. Accordingly, they have decided that they are just not going to pay the government funds to be squandered in that fashion. I think that is a general perception on the part of the public which we have to remove.

To that extent I basically agree with everything the President of the Treasury Board has said except with the necessity of appointing a special committee of this House to take on what is clearly the mandate of the Standing Committee on Public Accounts of this House of Commons.

Some hon. Members: Hear, hear!

Mr. Johnston: The minister has said that the public accounts committee has been concerned with matters which have arisen in the past. Historically that is the case, and I believe that when the President of the Treasury Board was first elected to this House, that indeed was the case. The public accounts committee normally looked into so-called horror stories and summoned people before it to find out what happened and why. There was much publicity and much media coverage. There were examinations into cost overruns, as in the case, hon. members may recall, of the aircraft carrier *HMCS Bonaventure*, which was one of the celebrated studies of the public accounts committee.

However, in the mid-1970s and beginning after the appointment of the current Auditor General, Mr. Jim Macdonell, the entire role and perception of the public accounts committee have changed. As we know, the office of the Auditor General was given extended powers in the amendments to the Auditor General Act in 1976, which basically introduced the concept of comprehensive auditing: "Is the Canadian public getting value for money?" The Auditor General has a mandate to look into the economy, efficiency and effectiveness of government programs; and in keeping with that mandate, the role of the public accounts committee has also changed because, as hon. members are aware, the committee receives an automatic reference of the annual report of the Auditor General of Canada.

That automatic reference, in 1978, included a large portion of that work devoted to comprehensive auditing and special studies which the Auditor General and his staff had taken upon themselves in pursuing their mandate to introduce into

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various government departments. I refer specifically, for example, to the study of procedures in cost effectiveness. If one looks to the report of the Auditor General of 1978, one will find in chapter 3 an analysis of basically the very matters which the President of the Treasury Board tells us we now need a special committee to look into, namely, planning capital acquisition projects.

I am not going to take hon. members of this House through the report of the Auditor General, but if they look at that report they will find that the Auditor General has established audit criteria which are to be followed in planning major capital acquisitions for the very reason that the President of the Treasury Board has suggested. We have to stop this haemorrhaging.

Let me just give a summary of the audit criteria which have been suggested by the Auditor General and were applied by the Auditor General's staff in analysing a series of capital acquisition projects, a number of which I might say have already been considered this very year by the public accounts committee. I refer, for example, to the celebrated cost overrun of the Calgary airport, and whereas the President of the Treasury Board says that he is interested in ongoing projects and not what happened in the past, I am completely satisfied that the public accounts committee is also concerned more with ongoing projects than with what happened in the past. What happened in the past is sad and unfortunate, but it is water under the dam, spilled milk or whatever term one might apply.

The fact is that we are primarily concerned not even with what is going on today but with what is going to go on for generations, the future structures we wish to establish to control and examine the efficiency, the economy and the effectiveness of government spending in this country, so that the public will regain confidence that its funds are being properly managed. I hope that the initiatives which have been taken by the Auditor General and which, by and large, will be supported, I hope, by the public accounts committee and by its reports to this House will in turn serve as an example to provincial levels of government, municipal levels of government and, in fact, any organization of any kind which is concerned about the management of public funds, be they universities, hospitals, charitable organizations and so forth.

The audit criteria which are set forth in chapter 3 for planning capital acquisitions are as follows: "Responsibility and accountability should be clearly defined and communicated". That criterion was tested against a variety of projects to determine whether it was followed. Second, "Requests for funds should be supported by accurate and complete documentation". Again, that audit criterion was tested against various projects to determine whether it had been followed. "Final approval should be based on full information". Again, that was tested against the Calgary airport, the schools in the north on Indian reserves and the acquisition of class R icebreakers by the Department of Transport. We have already looked at these areas to determine these criteria and the others to which I am about to come were followed. "Project implementation should