

Financial Administration Act

moneys are made with due regard for economy and efficiency; fifth, that satisfactory procedures measure the effectiveness of programs where they could reasonably be expected to apply; and finally, that he should be maintaining the central accounts of Canada, a job which is presently being carried out by the Department of Supply and Services.

Those were the recommendations which the Auditor General made with respect to the responsibilities, power, and duties of the Comptroller General if and when a Comptroller General was appointed. However, there is no such job definition included in this legislation. The cabinet and senior civil servants originally resisted the recommendation for a Comptroller General. That is obvious. They knew they had a dirty house, they knew it had to be cleaned up. They did not want somebody coming in from the outside and pointing it out to them directly.

An hon. Member: Sure they did.

Mr. Blackburn: I heard somebody from the Liberal side saying "sure they did." Why has it taken two years to get a Comptroller General appointed? Obviously top civil servants, department heads, were fighting this and have been fighting it for two years. Do not talk nonsense to me. So I ask, "Are they to be trusted to set the powers and responsibilities for the position?" Can hon. members see senior civil servants who are trying to cover up their past mistakes defining the powers and responsibilities of the newly appointed Comptroller General? That is the major question in my mind right now and that is why I said our party would support this bill but with very grave reservations. We have to have a lot more information on this bill before it gets past third reading.

The Comptroller General will face a massive task. The fact that this legislation has been introduced recognizes the well known fact that something is seriously wrong with the government's management of our finances and the pressing necessity that something be done about it. Government spending is seriously out of control. Its rate of increase has far exceeded the rate of inflation. We do not need to look at the Auditor General's report to see it. We just need to look at the government's financial record over the last 10 years.

Projected total spending for 1977-78, according to the Minister of Finance (Mr. Chrétien) in the 1978-79 edition of "How your Tax Dollar is Spent", which is somewhat of a joke, will be \$44.45 billion. This is an 8.2 per cent increase over 1976-77 expenditures. Our total deficit will be \$9.7 billion. For 1978-79, according to Treasury Board blue book estimates, the target ceiling for total spending is \$48.8 billion. This will be an increase of 9.8 per cent over the previous year.

It might be instructive to look at government spending now in relation to what it was in 1968, when the Prime Minister first came into office. In that year, total government spending was \$9.8 billion. Our national deficit almost totals that amount. Our national deficit this fiscal year will equal total government expenditures of 10 years ago.

[Mr. Blackburn.]

● (2032)

The matter at issue is not so much this increase in government spending, but how the spending has been managed or, rather, mismanaged. In view of the government's past financial track record the question arises: Can the Comptroller General's office be used as another means of hiding financial mismanagement? Without a more clear definition this is a risk we run when expanding the powers of the bureaucracy. Every effort must be made to increase the accountability of the government. There has been a remarkable lack of efficiency and effectiveness in much of government spending, as has been documented in past Auditors' General reports.

During the time I sat as a member of the public accounts committee, Polysar and AECL were the most notorious examples of mismanagement. The government is still dragging its feet on the investigation into what happened to millions of dollars spent by AECL on commissions to foreign agents. The latest revelation has been that AECL may not get full value for the \$2 million it paid out for post-contract service on a nuclear reactor sale to South Korea. This money was part of \$15.4 million paid in advance to Mr. Shaul Eisenberg, I believe from Tel Aviv—or that is where his head office is—for future services. This is still less than the ill-advised flat \$20 million fee AECL originally negotiated with Mr. Eisenberg. Still to be accounted for is some \$2.4 million paid by Atomic Energy as an agent's fee for the sale of a nuclear reactor to Argentina. The money was deposited to a numbered Swiss bank account, but Atomic Energy says it does not know who got it or what the money was used for.

The government has been incredibly careless in maintaining its agencies and in discharging its financial responsibilities. I could go into the AECL and Polysar fiasco or mess, whatever one wishes to call it, but I suppose I would be out of order at that point. However, I think the AECL and Polysar situation in Sarnia is important and does relate to this bill. I feel it does relate to what the Comptroller General can do, hopefully, if we get the proper regulations and if he has the power to intervene.

When we are talking in terms of Atomic Energy, for example, we go back to the 1940s. It was always clouded in secrecy and was something you did not talk about. If business was transacted it was transacted under the table. When I say that I mean it was done in a sort of surreptitious manner, in almost an espionage type situation. I am not referring to Canada but to any other country that had atomic power.

This situation carried on over the 1950s and dragged into the 1960s. Then the government decided, after it had spent all this money, it had to build a reactor and sell it. I charge the Canadian government for sinking to the lowest possible commercial denominator in attempting to sell our CANDU reactors. In doing so it entered into the worst kind of business practices with rather questionable individuals around the world, and without ever asking them what they were doing or how they were doing it. These foreign agents set the fees. They said: "Give us millions of dollars and we will sell the CANDU reactor for you."