

Restraint of Government Expenditures

Mr. Darling: I was not aware of that. The hon. member for Winnipeg South Centre (Mr. McKenzie) says they are building a skyscraper. Skyscrapers are under construction there now; we are all well aware of that.

The Auditor General's statement is certainly deserving of comment. I was at the meeting yesterday morning when we were locked in to look over the report, and we were not to make any comments on it. I was also present at the first meeting of the Public Accounts Committee when the Auditor General appeared before us, and all hon. members have read what he stated. Everyone has heard him on television or on radio, and he has stated categorically that a great many changes have to be made. He concedes that the government is going to make some changes, and more power to it. It would be crazy if it did not agree to do so, but the one thing the Auditor General is pleading for in this time of restraint—and I cannot understand why the government, and especially the President of the Treasury Board do not accede to this request—is the appointment of a comptroller general, a watchdog over the government, to see that spending is carried out properly. Deputy ministers would be answerable to him. The government is trying to say that this is an impossibility, to whom would he be responsible, and who would be higher up on the totem pole?

The Auditor General says he wants a comptroller general to be the boss over many deputy ministers—and ministers—who are squandering taxpayers' money. I feel that that request should be acceded to by the government and that the government should appoint a comptroller general.

A royal commission has been appointed. I am darned sure that the report of the royal commission will not be available to the public until after the next federal election. If there are any takers, I would be willing to bet \$10.

Mr. McKenzie: I will go higher than that.

Mr. Darling: To my way of thinking it is most important that a key official of this nature be found, and he could be found if the government searched for him. If the government cannot find one, I am sure that the Auditor General could.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I welcome the opportunity to speak on Bill C-19, an act to amend or repeal certain statutes to enable restraint of government expenditures. I do not know whether to laugh or cry when I hear that coming from this government. The only reason the government is presenting such a bill right now is that the Gallup polls and the opinion polls show the government to be down, so it figures it had better come up with some of its old Liberal camouflage to cover up for the time being.

It was most discouraging this afternoon in question period to listen to the Prime Minister (Mr. Trudeau) cover up for the bungling of the government and for its absolute extravagance. He said that accounting for the government is different than for business, and all that hocus-pocus, and the President of the Treasury Board (Mr. Andras) did no better. My reason for making these statements is that for many years the Auditor

[Mr. McKenzie.]

General has been making recommendations suggesting that this Liberal government make improvements to its accounting system.

● (2150)

I would just like to quote from the Auditor General's report. In respect to matters dealt with in previous reports he states at page 28:

It is a policy of the audit office to encourage prompt remedial action on deficiencies and irregularities identified in our examinations. To this end, the staff of the office maintains constant liaison with officials in government departments, agencies and Crown corporations to assist them in introducing corrective measures and to monitor the achievement of improvements. When our monitoring activities reveal that appropriate action has not been taken on matters disclosed in my annual reports, we report our findings to the House of Commons.

My point is that we have the Prime Minister saying that the government is doing a great job and that it is very difficult under our parliamentary system to have a proper accounting system. That statement coming from the Prime Minister is completely false.

The Auditor General continued:

The following matters have been raised in part 19 of my 1976 report:

In my 1975 report, it was noted that the Department of Industry, Trade and Commerce intended to sell its interest in Radio Engineering Products Limited as soon as the company had become sufficiently stable to attract a suitable buyer. This did not occur, and in late 1975 the company filed a voluntary declaration of bankruptcy. At the time of bankruptcy, it was indebted to the Crown to the extent of \$6 million. No significant recovery of this loss is expected.

It would be very interesting to hear the Prime Minister or the President of the Treasury Board explain why no effort was made to recover \$6 million. All we got was some smart aleck comments.

The Auditor General continued:

My 1973 report referred to deletion from the accounts of Canada of income tax revenue that could not be collected because the taxpayers were no longer resident in Canada. In 1976, such deletions amounted to \$850,000 owed by 161 taxpayers. The Departments of Justice, National Revenue, and Finance are considering the question of confidentiality with respect to possible publication, as a deterrent measure, of the names of taxpayers whose accounts are written off.

That is another large amount, Mr. Speaker, \$850,000.

He continued:

Also in 1973, my report drew attention to the substantial amounts of income tax remaining unpaid at March 31 of each year. We recommended that late-payment penalties be increased beyond the 6 per cent rate currently in effect. This proposal is still under consideration and no change has yet been introduced.

Nothing was mentioned by the Prime Minister or the President of the Treasury Board about that today, Mr. Speaker, or about why nothing has been done about this.

The Auditor General continued as follows:

Since 1962, we have reported annually that a high rate of error exists in calculations of retirement benefits and related contributions in the Public Service Superannuation account. In recent years, there has been some improvement in the determination of benefits, but the quality of data provided by pay offices of the Department of Supply and Services and by departmental personnel branches has deteriorated.