

Financial Administration Act

the government is not held accountable to parliament and thereby to the people of Canada, it is quite logical that public servants will not be held accountable either. That is precisely the dilemma we are in now. I hope that in the days and months ahead this matter will be taken more seriously. Like the Auditor General, I feel profoundly that public funds are in effect trust funds and must be treated accordingly. Financial controls and safeguards for trust funds in the public sector should be at least as effective, reliable, and strong as they are in the private sector. If we who share the responsibility for the control of the public purse do not take this seriously, we are somewhat derelict in our duty.

The appointment of a comptroller general is but one step toward achieving our goal. Far from being the total answer, it is a step in the right direction, but there must be a major shift in attitude, and that shift must begin with the government. We have much to do in this very important area, and unless we address ourselves to this problem and take remedial action soon, our system of government and public confidence in it will continue to wane and will continue to be in jeopardy. If we should continue that downhill slide, we would soon find that freedom and democracy as we know them would be increasingly undermined and perhaps destroyed.

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I will not take too much of the time of the House on this matter, but as a former chairman of the Public Accounts Committee and, as a matter of fact, as the chairman of the committee at the time when the first draft of this bill saw the light of day, I feel I should bore the House for a few moments by attempting to give my interpretation of the bill.

• (1442)

My attitude toward the bill has been forcefully and succinctly expressed by others—approval for it and disappointment with it. There is approval because obviously there has been waste and extravagance by this government. With the growth of government in the western world, and especially the growth in Canada at the municipal and provincial government levels, there is state involvement in many things that used to be considered the exclusive jurisdiction of the private individual or the private sector. This has led expenditures by the state to multiply alarmingly over the last few years.

When the Prime Minister took office the total expenditure of the federal government was about \$9.5 billion. It is more than coincidental that for the fiscal year now ending, the federal government's deficit is also approximately \$9.5 billion. I do not make that comment in a partisan way, but merely to indicate the swollen financial transactions of government in general.

I do not believe that provincial governments have increased their revenues and expenditures at the same rate as the federal government nor do I believe that municipal governments have done so. Members on both sides of the House have been worried that our accounting and control of government spending have not kept pace with the increase. For years the public accounts committee, a non-partisan all-party body, has spent

thousands of man-hours trying to rectify spending abuses of the government of the day. It has issued voluminous reports and there has been a general attempt to rectify some of the glaring omissions that exist in the supervision and control of the financial accounts of the federal government. In some cases our voice has been heard, but in many cases it has not. Sometimes we have had the ear of the public because of the financial scandals uncovered. These are not always uncovered by the committee but often by that watchdog of the public purse, the Auditor General.

It is the job of the Auditor General to ferret out and expose extravagance in the financial wasteland. It is the job of the public accounts committee to investigate the charges and report to the House on the veracity or otherwise of those charges. Since I came here in 1972 there have been very few occasions when serious charges made by the Auditor General have been investigated by the all-party, impartial public accounts committee and not found to be true. Sometimes they have been under emphasized and perhaps even underestimated, according to the work of successive public accounts committees.

The general theme running through the reports of the public accounts committee until two years ago was that some office, some body, some institution, agency or individual, should be inserted into the system to check expenditures before they are made. The Auditor General and the public accounts committee can only criticize and publicize after the event. What was required was not another watchdog but someone who could pre-audit, not post-audit—somebody with power to put the lid on proposed extravagances. Members of the public accounts committee came to the conclusion over the years that there should be a comptroller general, as there is in other parliaments and legislatures in the Commonwealth and in countries in the western world. There should be someone—an impartial but all powerful figure—to examine proposals before expenditures were made in order to avoid gross errors.

The matter came to a head in the report of the Auditor General to the House two years ago. As a result of valid criticisms, made both in the report of the public accounts committee and the report of the Auditor General, things started to stir on the government benches. Certain proposals were presented by the Auditor General to the then President of the Treasury Board and the present minister which resulted in the bill now before the House. If the bill goes through, we will have a comptroller general.

• (1452)

I know of no reason why the bill should not go through. From that point of view I am quite elated about the bill and its provisions but I am disappointed because it is a compromise. In a way it is a rather weak-kneed compromise. I do not want to use the word cowardly because the final negotiations resulted in a compromise by those of us who believed that we should have an individual to perform that type of pre-audit function. We are not so sure that we will get it, which is the problem at the moment.