

The Budget—Mr. McKinley

In the following year's report, we are told

The January 1976 accommodation plan for the national capital region was approved by Treasury Board in July 1976. Based on this approval, outline implementation plans were prepared: this affects more than half of the public servants now occupying space in the national capital over the next four or five years.

The year 1976 appears to have been a key year, Mr. Speaker. Despite an acknowledged awareness that restraint was called for, the government decided to go ahead with a spending program to house new departments, which has cost \$750 million since then and which has left downtown Ottawa dotted with empty buildings and rental signs. The ripple effects on the economy of this city must make other cities, which have to deal with the federal government, shudder. But the costs will go on, Mr. Speaker, because this government did not know when or how to stop. It has these enormous buildings now, and the country is stuck with their cost for years into the future. Only now, now that the damage is done, has the government announced what should have been obvious long ago to anyone with sense, that the public service is too big and must be cut back, with a corresponding cutback in the office space needed for it.

I could elaborate on the figures which document the government's mismanagement of public spending through the Department of Public Works, a great deal of which is not in the least attributable to the hard-working servants of the department but simply to the economic incompetence of the government. There is the \$150 million spent on expropriation at Mirabel airport, and the \$88 million spent on expropriation for the Pickering airport, and the sum—which is far from final—of over \$100 million which the government is spending on a new office building in downtown Montreal so that it can create more empty office space there. Mirabel, Pickering, and more empty office space in Montreal: these are government follies which all Canadians can see, even if their final costs can not easily be measured.

No wonder we have a debt this year of over \$12 billion. No wonder the international community has lost confidence in our currency, when the government spends it hand over fist on unnecessary offices, unneeded or even unbuilt airports, and unworkable postal plants. No wonder the people of Canada have lost heart, and no wonder the Auditor General, for the third year in a row, has had to call attention to the inadequacy of the government's accommodation program in the Department of Public Works.

I want to end my remarks, Mr. Speaker, by drawing attention to a few of the comments of the Auditor General in his report just issued. Last year he suggested that:

The government should consider establishing long-term guidelines on the growth of the public service to facilitate planning for office accommodation, with due consideration to decentralization and other government objectives.

Well, of course, if the government had had an adequate plan for accommodation when it updated its accommodation plan in 1976, the Auditor General should not have had to make such a comment last year.

[Mr. McKinley.]

In this year's report, the Auditor General notes that two years ago he had also commented on the inadequacy of accounting for accommodation. This year, noting that under present arrangements parliament is not informed of "the cost of accommodation services requested and used by individual departments", the Auditor General has added his voice unequivocally to the voice of the national finance committee of the other place in its report this fall, and to the voice we have raised in opposition, with a recommendation that departments be required to pay Public Works for the space they use.

● (2242)

This concept of revenue dependency was proposed as long ago as 1962, and the Conservative party then in government had already instituted a method of showing, in the annual estimates of departments, the cost of their accommodation. Since the last Conservative government was in office, the recommendation of the Glassco commission urging this concept of revenue dependency, or "user-pays", has just sat there. The Department of Public Works itself has welcomed the proposal. It is the government which has not acted.

A week or so ago I asked the Minister of Public Works and Minister of State for Science and Technology if he intended to introduce legislation to update the Public Works Act, as a committee of the other place had recommended. He said he did not intend to introduce such legislation now. Now that the Auditor General has joined the chorus of voices which recommend a change in the nature of accounting for government accommodation, we can only hope that the government will think again. Its hesitation becomes a bit more understandable when we notice that the Auditor General, whose concern is that public spending should be both visible and accountable to parliament, urges this change, because at present the accounting system used to keep track of the cost of government accommodation buries much of the actual cost. The real costs would be even more startling if they were shown openly.

One quotation from the Auditor General's new report will suffice, Mr. Speaker. The report states that both when the government builds a building of its own and when it leases accommodation on the private market "current reporting arrangements understate the actual cost of new accommodation; consequently, it is difficult to make valid comparisons of the relative merits of construction, purchase and leasing alternatives." This suggests that the government could not and did not know what it was getting into when it committed itself to lease-purchase agreements for new office accommodation, agreements which by one estimate may cost \$179 million more than if the government had built Crown-owned buildings in the first place. Once again, the government has appeared to save money by committing future governments to years and years of rent, instead of showing openly and honestly what money it has spent.

Mr. Speaker, in indicating our lack of confidence in this government, I am merely echoing what Canadians from coast