

President of the Treasury Board is the flimflam man who stands before the House and the people of Canada and says that in this medicine he is now flimflamming he has the cure for the Canadian government's financial management and control problems. All he has is a bottle with a different title, but the bottle is the same as the other bottles on the shelf.

I want to make it clear that in no way am I expressing criticism of Mr. Harry Rogers. While he is not known to me personally, by all accounts he is a man of outstanding capabilities and precisely the type of man who will make a very welcome addition to the senior levels of government, particularly in the area of financial management.

However, we are terribly concerned that by giving Mr. Rogers a title and absolutely nothing else by way of authority we shall be causing him to operate under such a handicap that his chances of truly addressing and arresting the trends of financial mismanagement so clearly outlined by the Auditor General will be minimal at best.

It is well worth recalling the observation made by the Auditor General in his 1975 report in which he stated as an initial conclusion of the financial management and control study started in May, 1974, that:

The present state of the financial management and control systems of departments and agencies of the Government of Canada is significantly below acceptable standards of quality and effectiveness.

In support the Auditor General gave numerous examples of the waste which was resulting therefrom and proposed a number of recommendations for remedial action. One year later, as a result of further study, in his 1976 annual report the Auditor General was moved to state:

Based on the study of the systems of departments, agencies and Crown corporations audited by the Auditor General financial management and control in the Government of Canada is grossly inadequate. Furthermore it is likely to remain so until the government takes strong, appropriate and effective measures to rectify this critically serious situation.

That kind of audit for a privately owned company would result in the bottom falling out of its share prices on the stock exchange, probable delisting by the regulatory authorities of the provinces, and certainly the immediate dismissal of at least the senior financial officers of that corporation. Of course nothing of the sort happened in this instance.

The Auditor General offered a number of recommendations for ways to improve the financial management and control of the federal government's operation, and key amongst these was the recommendation that a Comptroller General be selected and appointed. The Auditor General then went on to describe in some detail the type of person who should be hired for this position and the types of functions that would come under the authority of this individual.

In addition, he proposed other changes in the operation of government which would lead to better and more effective financial management and control. I will not repeat all of these, but I think it is worth repeating for the record paragraph 2.15 of the Auditor General's report of 1976 in which he stated:

Financial Administration Act

To avoid any possibility of misunderstanding, I should emphasize my belief that a fundamental restructuring of the Treasury Board secretariat is required. The functions relating to resource allocation, personnel policy, administrative policy, and management of the official languages program, would remain with the Secretary of the Treasury Board or would be otherwise assigned as the Government may decide. All functions relating to financial management and control would be assigned to the Comptroller General of Canada, a deputy head like any other but with a status comparable to that of the Secretary of the Treasury Board. His responsibilities relative to other deputy heads and his relationships with departmental financial officers are described in Part 3 of this Report. His basic responsibilities would include the design, development, implementation and monitoring of adequate systems and procedures to ensure that the form of the Estimates provides a sound basis for the Government's budgetary control system, that public moneys and assets are under effective custody and control at all times, that accounting procedures and financial reports throughout government (including the Public Accounts) conform to acceptable accounting principles and standards, that expenditures of public moneys are made with due regard for economy and efficiency, and that satisfactory procedures measure the effectiveness of programs where they could reasonably be expected to apply. The responsibility for maintaining the central accounts of Canada would be transferred to the Office of the Comptroller General from the Department of Supply and Services where it is now located.

In other words, the Auditor General was very specific as to the functions and responsibilities of the Comptroller General and defined clearly what his role should be. Thus it comes as some surprise and, indeed, is somewhat disturbing to see that the legislation the government produces in response to this very proper recommendation of the Auditor General really only creates another deputy minister and gives him the title of Comptroller General. As I asked earlier, what is in a name? How can just a name provide the necessary authority to fulfil the responsibilities which clearly should come within the range of responsibilities of the new Comptroller General? To understand this obvious omission from the bill we have to examine the government's initial responses to the recommendations of the Auditor General. We have to speculate some about the internal debate that must have occurred in cabinet prior to the decision being made that indeed somebody would be appointed and be given the title of Comptroller General.

● (1702)

The House will recall that when the Auditor General first made his recommendation in his report in the early winter of 1976 the initial response of the government was negative. Then the government said, "No, we do not want a comptroller general, an appointment such as that would interfere with such things as ministerial responsibility, the smooth operation of the civil service, the Privy Council office" and all other manner of things. However, the gross mismanagement brought to the attention of the House and the public of Canada through the Auditor General's report caused the public to state that that was quite an unacceptable response from the government. The government could mutter about ministerial responsibility all it wanted, but the people of Canada wanted much more control over the management of their tax moneys. This pressure caused the government to do a flip-flop.

In April of 1977 the President of the Treasury Board indicated that the government had decided, after all, to accept the recommendation of the Auditor General and hire a Comptroller General. While we can never be sure why the government did not accept this proper recommendation of the Audi-