

remain so until the government takes strong, appropriate and effective measures to rectify this critically serious situation.

Faced with the Auditor General's analysis and his conclusion, the government's answer has hardly been one of great expedience or alacrity. Its answer has been to appoint a royal commission which, in all likelihood and based on past experience, will not report for probably two years, and in the meantime one of the very key recommendations made by the Auditor General for a financial executive officer or a comptroller general is not receiving a very favourable response, to say the least, from the government. They are as unhappy with it, as I can possibly imagine any administration to be.

The mess in which we find ourselves now, in so far as lack of financial restraint is concerned, goes far beyond the implications of Bill C-19. We face a situation that has been inevitable so far as members of parliament are concerned who have taken the time to study what has been going on regarding the nation's financial management. It has been inevitable ever since the executive branch of our government took unto itself all the responsibilities and prerogatives to spend without the scrutiny, in a meaningful way, of members of the House in all parties. Ever since the estimates have been taken out of the House of Commons, about all that we have left to safeguard the financial integrity of this country is that strong and impartial officer of the House, namely, the Auditor General.

By not implementing the Auditor General's suggestions immediately and at least paying some attention to the very studied and constructive suggestions that he has brought forward in an urgent manner, the government in effect is not discharging its responsibilities as outlined by this very responsible officer of the House. It now appears as if, instead of acting in a constructive way at least on a trial basis—and the Auditor General indicated he would like to see some of these recommendations at least experimented with—the government will hide behind a royal commission.

We have seen in the past how the reports and recommendations of the Standing Committee on Public Accounts have been largely ignored. We have seen how the Treasury Board has had its original role within the government distorted from the allocative function to administering programs which have no specific connection with the original responsibilities with which the Treasury Board was entrusted. Anyone who has tried to extract information, for example, from this government which is obsessed with secrecy, knows that to expect a committee of the House or the committee system to function under the rules under which members have to operate at present is expecting something that is not realistic.

There are so many horror stories in the Auditor General's report that it is very difficult for a member of parliament to comprehend the magnitude of the government's incompetence. However, one does have to single out, for example, the \$8 million paid to an agent to obtain the sale of the \$500 million nuclear power reactor to South Korea. That is on the international scene, but one could just as easily look at the situation at Mirabel, for example, where in the short time since that airport has been operating, something in excess of \$40 million

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has been lost, and it has been more of an embarrassment to the airline industry and to the transportation system of this country than anything else.

Also one has to consider some of the manifestations of financial accountability that the government has exhibited in the supplementary estimates at which we are looking on a current basis. In at least two categories of spending entitled "Purchased Repair and Upkeep" and "Professional and Special Services", spending increases proposed in Supplementary Estimates B are not indicative of expenditure restraint.

Nine programs within seven departments seek supplementary spending authority under the heading of "Purchased Repair and Upkeep". Compared to expenditures authorized in the 1977 main estimates, these nine programs seek an average 16 per cent increase in spending authority. The largest percentage increases are sought by the AIB, that is, 460 per cent; in the Department of Agriculture under the heading "Health of Animals", 52.6 per cent; under the Department of Consumer and Corporate Affairs, the Combines Branch, 25 per cent; and under the Department of Manpower and Immigration, development, 113.6 per cent.

Considering the magnitude of spending increases in this category I would like to put a question tonight: has the President of the Treasury Board (Mr. Andras) ascertained whether there has been a failure of advance planning of expenditures? Are large increases in this category consistent with the policy of expenditure restraint? I would say that on balance the answer would have to be no.

**Mr. Breau:** I don't agree.

**Mr. MacKay:** I would not expect the hon. member to agree, but I hope he will be able to show me why I am wrong.

**Mr. Breau:** I already spoke before you.

**Mr. MacKay:** I will read your speech.

Twenty-two programs within 14 departments are asking for additional spending for professional and special services. They seek an average 6.7 per cent increase through Supplementary Estimates B over the 1977 main estimates. Although the average is small, the amount of the increase is large. It amounts to \$34.2 million, and there are some very large increases. In view of the fact that expenditures on professional and special services should be one of the more controllable and predictable objects of expenditure, I should like to ask how the minister accounts for the \$34.2 million increase in spending in this category.

Noting the commitment in the December 18, 1975, spending restraint announcement that expenditures on consultants would be severely curtailed, can the President of the Treasury Board explain whether this commitment is still operative or whether government policy has changed? In other words, how can we on this side of the House believe that the government was serious in its previous commitments when we see these large increases in areas which could have been planned and controlled in advance?