

Refitting of HMCS "Bonaventure"

tion in both estimating and letting out a number of contracts with regard to the refit of the carrier.

As a member of the Public Accounts Committee for the past two years I have become convinced that the Auditor General's department is a real safeguard in keeping an eye on government spending. However, it is apparent his department is in need of a sharp expansion if the whole field of government spending is to be adequately covered. It seems to me that the making of reports on the obviously foolish types of expenditure is only part of the problem. The losses to the nation from imperfect accounting procedures are no doubt substantial, and proper financial control programs are essential in every department; but again, I feel this is only part of the problem. To date, Mr. Speaker, no department has been set up to appraise the benefits the nation receives, or does not receive, from government expenditure programs. Potential losses in this respect could be immense.

In fact, it was the Minister of Regional Economic Expansion (Mr. Marchand) who told this House just a year ago how costly the lack of co-ordinated action had been so far as the Canadian taxpayers were concerned. He pointed out that since 1963 we had spent over \$1 billion on various programs to help eliminate regional disparity and, because of the lack of co-ordinated action, he estimated we had wasted about half of that amount. Perhaps, as an economics professor at the University of Toronto has suggested, this country should have an Economist General in addition to an Auditor General. I presume his duties would be to report fully upon the effectiveness and the value of the various programs which have been set up to assist various aspects of our economy.

It seems to me that it should be of the utmost importance to appraise adequately the results which are being achieved by our various programs. This knowledge of costs and benefits would be of immense value in re-assessing the programs, or directing financial resources to other types of resource development. However, one thing is crystal clear in the field of public expenditures. We must insist upon the right of full disclosure and the right to criticize foolish expenditures. As this task is too great for any ordinary member, it is essential that adequate agencies be set up to do the job, and that they be allowed to carry out their duties free from interference or coercion. This is absolutely essential in our democracy and I am certain the general

[Mr. Harding.]

public will insist that this type of scrutiny continue, and expand, as it is in the interests of Canadians generally.

I have made some very general remarks about public expenditures and intend to follow them up with a few examples of departmental expenditures to show how essential it is for governments to keep a constant and careful check on their various departments. However, first of all, I would like to comment on the work of the Public Accounts Committee which delves into the reports submitted by the Auditor General.

In my opinion, the Public Accounts Committee of the House of Commons is doing a good job. All of the members of the committee, regardless of party, are interested in stopping foolish expenditures, and are desirous of seeing improved supervision take place in those departments requiring it. If the government and the departments concerned will accept the recommendations made by the committee, I am certain that most of the slipshod methods of estimating and the letting out of meaningless contracts will be avoided. This will also save vast sums of money for the public treasury and avoid embarrassment for both the government and the departments concerned.

It would appear that, over the years, many of the recommendations made by the Public Accounts Committee have been ignored. A good example appears in the list provided on June 19, 1969, in the committee's fourth report. From this it is evident that a majority of the committee's recommendations have been ignored. I can well understand how a department might have difficulty in accepting all recommendations, because once a certain accounting system is set up it is difficult to make too many changes. However, once an inefficient procedure has been pointed out by the committee, there should be no repetition of that mistake which in most cases was responsible for excessive waste in the spending of public funds.

I should like to refer to the committee report that I have just mentioned. It points out a number of recommendations made by the committee to the government, many of which had not been carried out by the various departments at the time that report was published. The list is headed, "Summary of the Positions of the Recommendations and Observations of Your Committee," and I quote:

The following is a summary of the positions of the recommendations and observations of your Committee contained in Appendix 1 of the 1967 report as of June 5, 1969: