

*Canadian Economy*

Under "Program Forecasting and Budgeting" the report goes on to say:

An annual review of country program projects was carried out by operating units in the bilateral branch, the largest of the operating branches, but this review was not made in conjunction with the annual program forecast. As a result there is no firm information base to ensure that forecasts reflect executive priorities.

This sort of thing appears in hundreds of pages of the document which was released today.

CIDA is a subject in which I am interested, Mr. Speaker. I am not opposed to aiding under-privileged countries. Hon. members might note, however, that the budget has now reached almost one billion dollars a year. An article appeared recently about CIDA under the heading "Spend, Spend, Spend." Apparently officials were rushing around at the end of 1974 to get rid of \$117 million which had been held over, so that the Treasury Board would not get it back. I have discussed this sort of thing with the Auditor General and he tells me it goes on in almost every department—they scurry about at the end of the year to spend any money they have in their votes. This is one area which ought to be looked into if the government has any real intention to curtail expenditures. It has nothing to do with cutting off somebody's old age pension.

Referring to CIDA, the Auditor General's report states:

Recipients of all grants and contributions should be shown in public accounts and consideration should be given to classifying grants and contributions by agency division, such as Asia, the Caribbean, the Commonwealth, etc. Consideration should be given to disclosing public accounts the full financial implications pertaining to the loan vote including the undisbursed portions of the authorized loans.

We in this House have tried to get hold of documents relating to CIDA—the subject was debated here recently—but the government declined to release documents upon the basis of which we could conduct a proper examination. It is members opposite who should be criticized, not us. We are the ones who are asking for open government and a proper accounting system.

The Auditor General has stated that some of his recommendations will be implemented. I, for one, hope they will all be implemented in the very near future. The Auditor General goes on to say:

Departmental financial transactions are recorded in two separate formal financial systems. In addition to utilizing the financial reporting services of the Department of Supply and Services the department also maintains its own computerized financial reporting systems. Inputs to the two systems are mainly prepared independently thus resulting in inefficiency and differences between total expenditures reported by the two systems. The department should exchange expenditure input data with Supply and Services in machine-readable format.

Reported in today's press is an example of the government's effort to contain expenditures. I can hardly believe it, since I find it very strange that the government should be making statements of any kind about curtailing its spending. At any rate, an article in today's paper, written by Geoff Johnson, says:

Up there on the 23rd floor of the Bell Canada palace on Elgin Street, lavishly appointed home of Treasury Board, keeper of the public purse, there is much honing of axes in readiness for the trimming of the public service.

The noise, of course, is muffled by the thick broadloom. Not for nothing is Treasury Board nesting in the most expensive accommodation ever rented by the federal government.

[Mr. McKenzie.]

Certainly, it's not the carpets which will feel the axe first. If Treasury Board President Jean Chrétien has his way, yesterday's news story in this paper indicated, public servants will be laid off rather than be reduced in number by attrition.

The cuts, said the report, were born with the government's anti-inflation program announced two months ago and are intended to show the country that the government is practising what it preaches.

Meanwhile, nearer ground level, all appeared normal.

An insurance company has vacated its offices on the first two floors of the huge complex at Kent and Laurier dominated by the Department of Indian Affairs.

The department is expanding and says it needs the room.

Next year the suite in La Promenade building on the Mall housing Southam News Services and several other newspaper offices, including mine, is to be vacated.

The Canada Council is expanding and says it needs the space.

● (1710)

So you can see, Mr. Speaker, no curtailment at all is planned by the government.

Any day now the battered wooden fence which screens the lower floors of the new Bank of Canada building will be removed, and the public will be able to take in at last the entire majesty of the 12-storey tower of reflecting glass, a jewel shimmering in a dark sea of concrete and steel.

Not even in the developers' paradise of Montreal has an office building of its size cost so much to erect. It is a magnificent monument to free spending, from the year-round garden enclosed in plain glass to the fact that it will cost more to heat and cool than any other government building.

It will make those cabinet ministers and public service mandarins who have spent thousands upon thousands of dollars on renovating their offices this year look like bagmen for Cromwell.

When that wooden fence is taken away, the teachers, the postal workers, the public servants to be laid off—all will be able to get close enough to see their faces in the mirror walls and to reflect on the virtue of austerity.

Some austerity!

For a number of years this party has been asking for a complete examination of the operations of the unemployment insurance program. If unemployment exceeds 8 per cent this year—and many economists are predicting it—there will be over 800,000 Canadians out of work by December 31, 1975. That means each one of those Canadians will be a potential unemployment insurance recipient. Already, at an unemployment rate of 7.2 per cent annually, the unemployment insurance program is costing each Canadian man, woman and child \$200 a year. The total cost of the program in 1975 alone is expected to be \$4 billion. Between January, 1971, when the present program was first implemented, and December, 1975, our unemployment insurance bill is expected to reach a total of \$10 billion. By comparison, between 1940 and 1970, a period of 30 years, Canada spent a total of only \$6 million on unemployment insurance.

For well over two years the Progressive Conservative party has asked for an independent inquiry into the operations of the unemployment insurance program in order to find some answers to these and other problems associated with it. This is not an inquiry which implies a witch hunt or simply a crackdown on abuses, but one which would get to the roots of the problem and come up with some concrete answers. And unless there is an inquiry we feel the problems cannot be identified in their entirety and solutions found. In the absence of federal government initiative in this area, we continue to press for that inquiry. The