

Financial Administration Act

for any effective control mechanism. In the most non-political and non-partisan sense I feel that what we need in this country more than anything else is a change in government. That would flush out the system and probably put the country back on the right course.

I support the concept of the establishment of the post of comptroller general of Canada. In my remarks today I want to echo the concerns which have been placed on the record by my colleague, the hon. member for Calgary Centre (Mr. Andre), and my good friend, the hon. member for South Shore (Mr. Crouse). I am worried that this bill does not enshrine in legislative form the powers and duties of the new comptroller general.

● (1252)

The Auditor General, as has been pointed out by previous speakers, put on record in his 1976 report the terms of reference which he thought should apply to this office, and in April of 1977 the President of the Treasury Board (Mr. Andras) gave the government's approval in principle for the establishment of the post. So we may ask ourselves just why the government appears to be so worried when we ask that these powers be enshrined in legislative form?

When we look at the history of the idea we find that in November, 1976, the Auditor General submitted his annual report to parliament and, as other hon. members have pointed out, it was one of the most damning indictments of the government ever produced. On the same day, the President of the Treasury Board announced the establishment of a royal commission to look into various aspects of the report, particularly the question of accountability, and to bring forth recommendations. On November 24 the minister was quoted in the *Ottawa Citizen* as saying the establishment of a comptroller general meant that constraints of a constitutional, political, and technical nature must be resolved. He expressed the view that the best means of achieving such a clarification was through a royal commission. He was saying, in effect, that the establishment of the office of comptroller general would be incompatible with the tradition of ministerial responsibility.

The Auditor General was taken aback by all this, and on November 29 he was quoted in the *Financial Times* as saying:

This really shook me up. The minister was misinformed. I have been fair and open. I gave them advance copies of sections of my report. Those people knew damn well that I did not recommend that the comptroller general report directly to parliament.

What Mr. Macdonell recommended was that a comptroller general be appointed at the deputy minister level, reporting to the President of the Treasury Board, who in turn would report to parliament. We have to ask ourselves just who was misinformed in this process. Who are these people of whom Mr. Macdonell spoke? This speculation, of course, gives rise in turn to a number of other questions.

In the days that followed November, 1976, we found out that there was an echelon of people—I would refer to them as the bureaucratic elite—who were quite concerned about the possible establishment of this post of comptroller general.

[Mr. Mazankowski.]

Perhaps I could quote from a Canadian press story which appeared in the *Ottawa Citizen* on November 24. It reads as follows:

Senior public servants have mounted a major campaign to defend themselves from charges by Auditor General J. J. Macdonell that they have lost control over public spending.

The top bureaucrats, led by Privy Council Clerk Michael Pitfield, convinced Prime Minister Trudeau to set up a royal commission to a delay action on reforms recommended by the Auditor General, highly placed sources said Tuesday.

Some cabinet ministers fought the idea of a royal commission, arguing that it would be interpreted as a stalling tactic designed to block establishment of a powerful new financial overseer called the comptroller general.

But Mr. Pitfield, supported by Treasury Board secretary G. F. Osbaldeston, won out . . .

Mr. Macdonell confirmed privately that Mr. Pitfield led opposition to the appointment of a comptroller general.

The article goes on to describe how the bureaucratic elite orchestrated the government's response to the Auditor General's report in the days before it was presented. Last April, the government performed one of its famous flip-flops and announced that it had approved in principle the establishment of the post of comptroller general, apparently abandoning its earlier view that to do so would be a contradiction of the principle of ministerial responsibility. Looking at this bill, however, it seems that the government did not change its mind as completely as we had thought, because the precise duties of the comptroller general are not defined in the legislation. It appears to me the cabinet did not really have the fortitude to stand up to the bureaucrats after all.

The bill says the comptroller general should be deputy minister and, really, nothing else. After that, we have to use our imagination. In the absence of precise duties and responsibilities enshrined in legislative form the work of the comptroller general could very well be stymied by actions of the bureaucrats and of the vested interests to whom I have referred as the bureaucratic elite. He could very well be strangled by the likes of Mr. Pitfield and his colleagues, and since he reports to the House only through the government he would be powerless to let anyone know what is happening should these bureaucrats attempt to harass him or burden him.

I do not believe the attitudes which were taken after the Auditor General made his recommendation are any less strong today than they were then. I am not sure whether the comptroller general, now that the post has been created, will get the kind of co-operation which the job deserves. Of course, when I say this, I am assuming we shall continue to have a Liberal government in power after the next election.

Some hon. Members: Hear, hear!

Mr. Mazankowski: I suppose my statement contains a presumption for which I stand to be corrected, because the way things are going the Liberals are losing their support in central Canada and are now being forced to fan out to the extremities of the country for reasons of a political nature.

An hon. Member: The national interest.