

Indeed, I would go even one step further. The evidence presented to us clearly indicates that those responsible for government have found themselves inadequate and lacking in their ability to implement sound and reasonable recommendations into actions and results which this House and the country require of them. What does this spell out, Mr. Speaker? It spells out nothing more than incompetence and contempt for parliament. Furthermore, I suggest that it spells out contempt for the watchdog of the public purse, namely, the Auditor General of Canada.

**Some hon. Members:** Hear, hear!

**Mr. Mazankowski:** In conclusion, Mr. Speaker, it is with regret that I say the establishment of this royal commission of inquiry on financial organization and accountability in the government of Canada casts a grave reflection on the office of the Auditor General, an office which this House wishes to strengthen and consolidate as parliament's guardian of the public purse. In my opinion, this announcement today constitutes a backward step in the evolution of re-establishing parliament's accountability and control of public expenditures.

In a nutshell, Mr. Speaker, this government by its actions has, in my view, illustrated very clearly that it has now lost the confidence of Canadians as being a worthy trustee of the public funds of all Canadians.

**Mr. Derek Blackburn (Brant):** Mr. Speaker, I stand in the House this afternoon to reply to the minister's statement with a feeling of great indignation. As the minister and this government are aware, the historic traditions of parliament dictate that parliament should have control over the expenditures of the land, not only those of civil servants but those of cabinet ministers and others. This has been traditional over the centuries. If we go back to the origin of parliament, we will find that this is the reason parliament came into being, that is, to control the expenditures of the executive, which at that time was the monarchy.

As a result of the excellent work of the Auditor General and his staff, we have very important recommendations, many of which were emphasized by the hon. member for Vegreville (Mr. Mazankowski) who preceded me, and I refer specifically to the creation of the office of a comptroller general. Instead of adopting or accepting that recommendation, the President of the Treasury Board (Mr. Andras) has decided to establish a royal commission to look into the expenditures and business practices of government. This is something that has been done over and over again in this country.

Why did the minister insist on the establishment of yet another royal commission? I would suggest, through you, Mr. Speaker, that because things are getting a little hot on the other side, this is an excellent way of pushing them under the table for an additional two, three or perhaps four years. If you look at the terms of reference of this new royal commission, you will see that it will take at least two, if not three years and, hopefully for the government, the recommendations of this royal commission will not be tabled before the next election.

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As long as the tabling of these recommendations can be put off, things will be safe for the government in office.

**An hon. Member:** Be factual.

**Mr. Blackburn:** I am being factual, Mr. Speaker. The point is that there was a general feeling in the House, which the minister and his department apparently supported, that the recommendation for the establishment of a comptroller general's office would be accepted. In this way we would have someone to look into government expenditures on at least a month to month basis, if not on a week by week or even day by day basis.

One of the problems we have in the committee—and certainly this is a problem faced by the Auditor General—is that we are always reflecting on government errors a year late when there is not much we can do about them. The establishment of a comptroller general's office would ensure that ministers, deputy ministers, heads of departments and agencies are held accountable to this House for their expenditures. We do not need a royal commission to consider the suggestion that we should appoint a comptroller general.

Let me put on the record two quotations from the Auditor General's report for the fiscal year ending March 31, 1976. At page 9 we find the following statement:

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.

● (1530)

When we got this report last year—I am quoting from the 1975 report—we felt that was fairly temperate language for the Auditor General to use. The committee investigating the problems within the government and its expenditures had worked very hard. I had the personal impression they were being very easy on the government and were not hitting the government that hard in their report.

However, let us come to 1976, a full year after the committee hearings, after all the witnesses had been heard and all the questions had been asked by members of the committee. I am very happy to be a member of that committee. Despite my remarks today in this House, it is one of the most impartial committees. Members of that committee are all concerned about government expenditures. It has been my experience that members from the government side, from the official opposition, and myself, have worked harmoniously on this committee. I want to compliment the Auditor General for the excellent job he has done. Let us come to the 1976 report. This is what we find:

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.

Mr. Speaker, never in my brief 5½ years in this House have I read a more damaging indictment of the government from any official source. That, to me, is a most damaging indictment of the mishandling of public funds coming from a very