

Cost Overruns

mittee involves itself with total government activity, not with respect to project management alone but with respect to government expenditure generally.

Second, I would point out that the select committee we are contemplating would, under its mandate, focus its attention on current activity in connection with major projects. As well, the public accounts committee has normally restricted itself to examining departmental response to observations made public by the Auditor General. This frequently involves a time lag of one to two years between the observation being made and corrective action being taken. In short, a select committee could concentrate on procedures for prevention rather than simply on examination after the event.

Earlier today the hon. member for Saint-Henri-Westmount (Mr. Johnston) asked me why I thought a special committee should be set up. It might be helpful if I could give hon. members an insight into a few of the projects before us which might well be referred to such a committee for study and recommendation as to what we at the Treasury Board can do to arrest the dreadful outflow of money that is occurring.

I referred earlier to a project known as Montreal MAPP involving the construction of a postal plant. Mr. Speaker, I am glad you are sitting in your chair because this is going to startle you. Approval was originally given in 1974 for the expenditure of \$161.2 million on that project. At the present time it is estimated the final cost will be \$273.6 million, which means an overrun of \$112.4 million or, in percentage terms, 69.7 per cent. Surely, every member of this House is bound to ask himself whether he ought to resist the setting up of a select committee to look into that kind of thing.

It is not just the cost overruns that concern us. This program, if completed, is going to be completed 37 months later, it is estimated, than the date originally established. This may well be one of the projects I would refer to the select committee should Parliament see fit to set it up.

Earlier I referred to the Prince Rupert grain dryer. Approval was originally given to the allocation of \$705,000 for the construction of this project. The final cost is now estimated to be \$3,812,000, or an overrun of \$3,107,000—in percentage terms, 439 per cent. Moreover, Mr. Speaker, that project will be eight months late if it is finished by the new due date.

I could read into the record comments made in my briefing document explaining how we got into this position. In this case, the case of the 439 per cent overrun, I asked certain officials: can we assume, if this last amount of money they have requested is forthcoming, that that will be the end of it and we will finally have a finished grain drying facility in Prince Rupert? All they can say is: "We hope so, Mr. Stevens." I hope the new committee will look into this situation and tell us whether there are any new steps we should be taking to ensure that these cost overruns are arrested and that if we do agree to further funding, no additional funding will be requested.

In case you may think such things happen only in Canada, Mr. Speaker, let me take you to Paris, to the chancery they are

[Mr. Stevens.]

building there. The cost originally estimated for that complex was \$4.5 million. It is now estimated that the final cost will be \$8.98 million, that is, an overrun of \$4.4 million or in percentage figures 96.6 per cent.

An hon. Member: Do they have a Liberal government?

Mr. Stevens: Surely, every member of this House, if he were talking to a constituent back in his own riding, would have to agree that we owe it to the Canadian public to look into overruns of this kind, not in the abstract, not after they have become history, but today while the projects are still under way. The French authorities now estimate the chancery will not be completed until June of 1981.

Let me give you another example, Mr. Speaker. You have heard of Mirabel airport. The original completion date was to be late in 1974. The actual completion date was 12 months later and there are still things that need to be done with regard to land acquisition. The original cost of constructing the airport and acquiring the land was estimated to be \$243,495,000. That is what, initially, the government of the day said would be the total cost. Well, the final cost was \$360,667,000 for an overrun of \$117,172,000, or 48 per cent. That is only part of the story, Mr. Speaker. The adjacent land which was originally said to be needed for Mirabel was supposed to cost \$86 million to acquire. The final cost is likely to be \$142,136,000, an overrun of \$56,136,000 or 65 per cent.

Surely, these four examples I have given should be sufficient, though I could talk literally for the rest of the afternoon about other projects which are coming down the pike toward us, projects where massive cost overruns are anticipated. Within the context of what I am saying it surely behooves every member of the House to support this resolution, which would ensure that a special committee is set up to look into specific ongoing projects which are subject to cost overruns for which somebody should be answering to the Canadian public.

• (1600)

Mr. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I was interested in hearing the remarks of the President of the Treasury Board (Mr. Stevens) both during the question period this afternoon and in explaining the purpose of this motion to our fellow parliamentarians here in the House.

One might say that I have an axe to grind with regard to this particular motion inasmuch as I am chairman of the public accounts committee. I would like to assure the President of the Treasury Board that everyone on this side of the House, I am sure everyone on his side of the House and even all the members to my left can agree on one thing, and that is that government mismanagement of public funds must be arrested and efficient procedures introduced to prevent some of the so-called "horror stories" as that term has been used frequently in the past with regard to several, or many, projects which have taken place over many years. The reasons for that are manifold. It has been an experience which many countries have suffered due to the extraordinary expansion of expenditures in the government sector and the lack of controls one