

Oral Questions

In the midst of an emergency debate on back-to-work legislation yesterday and the appearance of a former Prime Minister before an important committee of the House, the Government tabled two documents that I am sure it hoped would be totally obliterated by this news, a Price Waterhouse study on the Department of Regional Industrial Expansion's operations, and an internal study.

The Price Waterhouse study says with reference to DRIE financial control that it "was not given a high priority". In fact there was no report until half-way through 1986-87. When it was done the information in the Department itself was incomplete and conflicting. The internal study said "no alarm bells were triggered" at that time in the Ministry, and they were not triggered until the Hon. Member for Yorkton—Melville raised the scandal about \$100 million being misspent.

Considering there is absolute proof of total incompetence in management by the then Minister, why is it that this Minister, instead of being sacked, was given new responsibility for a Department that will be spending millions of dollars of the taxpayers' money?

Mr. Hnatyshyn: Wrong, Ed.

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I would like to answer my hon. colleague by telling him that as soon as we found out at the Ministry that there were serious overspending problems, the then Minister and his deputy immediately, as they should, asked for those two studies, one internal and one external.

The studies identified the problems and made a number of recommendations to solve them. Those recommendations are being acted upon and Price-Waterhouse has also been retained to ensure that they will be implemented as quickly as possible. Treasury Board followed the situation throughout the period and acted as expeditiously as possible to correct any flaws that existed in the operations of the Department. I would also like to say that those actions were taken well before any question was raised in this House.

• (1130)

DISCHARGE OF MINISTERIAL RESPONSIBILITY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the people of Canada have been asked to believe a lot by the Government. I will not elaborate on that particular observation, but I would like to ask a question of the Minister or the Deputy Prime Minister who should be speaking for the Prime Minister on this matter.

It has been shown beyond doubt that there was gross mismanagement, not by some junior clerk at some distant outpost, but right here in Ottawa at the highest level of the bureaucracy. Instead of accepting ministerial responsibility which the Government should do, why has the Minister, who ought to have had control of his Department and clearly did

not, now been put in charge of another Department with responsibilities for spending additional millions of dollars?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, as soon as the Minister was made aware of the difficulties being experienced in the Department, he commissioned the two studies. The Treasury Board was immediately notified and brought into the picture so that we could follow the process. Obviously, before acting we wanted to have a full diagnostic of exactly what was going on. As soon as we got it—

Mr. Broadbent: As soon as we got it?

Mr. de Cotret: Yes, as soon as we got it, we took measures. We took measures on July 15 and on July 30. We acted by implementing a new regime for financial control and management in the Department.

I feel that the tabling of the two documents, far from indicating as the Hon. Member would suggest a Government that is trying to hide from the facts, indicates a Government that is willing to put all the facts on the table. They are all there. Hon. Members have all the information and we are willing to give them all the briefings they would possibly want on how we will correct the situation.

KNOWLEDGE OF DEPARTMENT'S SPENDING

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister seems to be ignoring what was said in the report and what I quoted. It said that for half of fiscal year 1986-87 there was no financial report about what was going on presumably brought to the Minister's attention. Presumably the people of Canada were thinking at this time that the Minister was in control of his Department and would ensure that he knew what was going on with spending.

I direct a question to the Minister since he is now cleverly in the position of answering, not the other Minister, one day after the report has been tabled. I would suggest that that is not accidental.

Does the Government accept as reasonable procedure that a Minister would have no knowledge for six months of spending that is going on in his Department? Is that the Government's definition of managerial competence? It is not the definition of the people of Canada.

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I would just like to point out two things to the Hon. Leader of the New Democratic Party. First, there was a lack of financial control and we have admitted that. The reports point that out very clearly and there is a good reason for it. There is not an excuse but an explanation for it.

Going back throughout the years, in 1982-83 the Department underspent its budget by 30 per cent. The following year it underspent its budget by 24 per cent. The following year it