

Supply

Let me touch on another question, one which is of grave importance to the people of Canada. I am referring to the question of cost overruns. On December 3, I moved a motion that a special committee of the House be appointed to inquire fully into the measures necessary to prevent recurring cost overruns on major government projects, defined as those involving expenditures in excess of \$1 million, and in particular to carry out a review and an analysis of the measures already taken by the Treasury Board to prevent cost overruns on major government projects and to assess their impact.

There are various other matters covered in that motion, but my simple question to the President of the Treasury Board is: When does he intend to introduce a similar or, we hope, identical motion so that such a special committee can be established?

Mr. Johnston: Mr. Chairman, I believe the hon. gentleman will recall that I spoke on that motion at the time, in fact, quite passionately, inasmuch as I was chairman of the public accounts committee and I felt that the public accounts committee was the established forum, with the support which we know is available to it from, for example, the Auditor General's office, to continue the kinds of investigations which it had undertaken in the past quite successfully.

The issue raised by the hon. gentleman enters into the whole area of good management practices in terms of the control of costs on these various projects. We have, of course, a policy in place with respect to major projects. We are attempting, I think, to implement those procedures which, we hope, will prevent the kind of horror stories, of which undoubtedly the hon. gentleman is thinking, that are now part of our history. So I wish to reassure him that we will be taking all the initiatives possible to improve those practices, establish accountability and to do our best to bring these cost overrun projects completely under control.

With regard to whether or not we should have a special committee as opposed to having the public accounts committee study that matter, I would prefer to wait to see whether the public accounts committee has the time and the resources to carry out the kind of investigation to which the hon. member makes reference.

Mr. Stevens: Mr. Chairman, I am indeed sorry to hear that the President of the Treasury Board is now renegeing on a commitment into which this House entered in the former Parliament to set up such a special committee. I suppose we will now have to do it the hard way because, as a result of the Treasury Board directive, circular letter 1979-20, issued in July, 1979, we requested, among other things, that all departments report to us on their projects of \$500,000 or more, indicating how the projected costs were running in relation to budget.

Let me start now the long process of taking the minister through those reports. The Department of Agriculture indicated that there is a laboratory in Lethbridge with an approved budget of \$3,204,000. They reported to Treasury Board that the estimated cost to completion was \$19,340,000, for a cost overrun of \$16,136,000. Will the President of the Treasury Board tell us what he has done to stop that overrun?

Mr. Johnston: I apologize, but with respect to specific projects, did the hon. member make reference to one specific project? I am sorry, I was looking at a cost overrun document in front of me, and I would appreciate it if he would repeat the last part of the question.

Mr. Stevens: If it takes today and tomorrow, we have several hundreds of millions of possible cost overruns to review. The President of the Treasury Board has hesitated to set up a special committee which would have the job of doing an overview of these cost overruns. To be specific, the Department of Agriculture, so far as the Lethbridge laboratory is concerned, had a budget of \$3,204,000. At last report, they said it could have a cost to completion of \$19,340,000, a \$16,136,000 overrun. What has he done to correct that overrun in view of what he told the House?

Mr. Johnston: Mr. Chairman, in order to save the hon. member the pain and suffering of going through every project that has been examined with respect to cost overruns—

An hon. Member: It is the taxpayers who are suffering.

Mr. Johnston:—let me tell him that there are 497 projects now reported upon which show original budgets of \$4.752 billion with potential overruns of \$1.062 billion. The major reasons for incurring these overruns in the opinion of the various departments include inflation, approval in constant dollars, project deferment, change in scope, project control, currency exchange and technical difficulties. System improvements are planned, as the hon. gentleman well knows, and each of these areas will be addressed with regard to those system controls in the various problem areas. A report to the Treasury Board at the present time with respect to those systems is in preparation.

Mr. Stevens: Mr. Chairman, I feel that if the President of the Treasury Board is so unwilling to turn this matter over to a special committee of the House, presumably he should be asked to deal case by case with many of the overruns to which he has referred in passing. To be specific, would the President of the Treasury Board confirm or otherwise that the Department of the Environment, on its spending plan of \$801 million, is now reporting that it could have cost overruns of \$282,337,000, an overrun of 35 per cent in that one department alone?